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Item 161 of the provisional agenda*
Report of the Special Committee on the Charter of the United Nations and on the Strengthening of the Role of the Organization

Repertory of Practice of United Nations Organs and *Repertoire of the Practice of the Security Council*

Report of the Secretary-General**

Summary

The present report outlines the efforts undertaken by the Secretariat in 2002 to reduce the backlog in the publication of the *Repertory of Practice of United Nations Organs* and the *Repertoire of the Practice of the Security Council*. The General Assembly is invited, in paragraph 57, to take note of several activities in the light of the conclusions drawn in section IV.

* A/57/150.

** The present report was submitted after the established deadline to reflect the latest information concerning the preparation and publication of the *Repertory of Practice of United Nations Organs* and the *Repertoire of the Practice of the Security Council*.

02-57219 (E) 250902

I. Introduction

1. The present progress report has been prepared pursuant to paragraph 4 of General Assembly resolution 56/86 of 12 December 2001, in which the Assembly took note of paragraph 47 of the 2001 report of the Secretary-General (A/56/330), commended him for his continued efforts to reduce the backlog in the publication of the *Repertory of Practice of United Nations Organs*, and endorsed his efforts to eliminate the backlog in the publication of the *Repertoire of the Practice of the Security Council*.

II. *Repertory of Practice of United Nations Organs*

A. Steps undertaken by the Secretariat to expedite the preparation of Supplements to the *Repertory*

1. Interdepartmental Committee on Charter Repertory

2. Since the issuance of the 2001 report, the Interdepartmental Committee on Charter Repertory[1] held three meetings, inter alia, to review the status of the publication of volumes III and IV of Supplement No. 5 (1970-1978), the preparation of volumes I to V of Supplement No. 6 (1979-1984) and of volumes I, IV and VI of Supplement No. 7 (1985-1988); to review the implementation of the work programme for the 2002-2003 biennium; and to continue the inter-office dialogue on reviewing the working methods for the preparation of the *Repertory*.

(a) Review Committee of the Interdepartmental Committee on Charter Repertory

3. During the period under review, the Review Committee of the Interdepartmental Committee on Charter Repertory, consisting of the Office of Legal Affairs, the Department of Political Affairs and the respective coordinating and author departments, was convened to review volumes II, IV and V of Supplement No. 6. The Review Committee approved the volumes for publication. The Interdepartmental Committee was subsequently notified of their approval. The Review Committee was also convened to commence the review of studies for volume III of Supplement No. 6, volume IV of Supplements Nos. 7 and 8, and volume VI of Supplement No. 7.

(b) Establishment of review period for Supplement No. 9 of the *Repertory*

4. The Interdepartmental Committee decided that Supplement No. 9 of the *Repertory* would cover the period from 1 January 1995 to 31 December 1999.

2. Inter-office dialogue on reviewing the working methods for the preparation of the *Repertory*

5. In paragraph 6 of the Secretary-General's 2001 report, it was stated that the Secretariat units participating in the preparation of the *Repertory* had commenced in 2001 a dialogue on reviewing the efficiency of current working methods, including a consideration of different options for improving productivity and increasing the *Repertory* Supplement production rate. That review continued in 2002 in the context of the Interdepartmental Committee on Charter Repertory.

6. The Interdepartmental Committee noted that the current working methods permitted a regular production of individual studies and an adequate coordination of the preparation of *Repertory* volumes. The progress in that respect had been recognized by the Office of Internal Oversight Services, in the course of the in-depth evaluation process of the various activities of the Office of Legal Affairs undertaken in 2001-2002, including the coordination of the *Repertory*. The Office had pointed out that "since 1997, a number of steps were taken to expedite the production of the *Repertory*, as requested by the General Assembly, including designation of author units in each of the nine departments and offices concerned".[2] The Committee observed, however, that, at the current pace, the backlog would not be eliminated in the near future. While stressing that adequate and sustained financing was a necessary prerequisite for expediting the elimination of the backlog, it recognized that progress was hampered by structural constraints and obstacles pertaining, inter alia, to the expanding functions, changing mandates and priorities of the Secretariat, the shortage of permanent staff devoted to the *Repertory*, the lack of office space for temporary assistance, as well as the legal and practical difficulties in retaining consultants long enough for them to be used more productively.

7. The Committee considered alternative courses of action, including the establishment of a central Repertory section in one of the departments of the Secretariat, or the creation of permanent posts for *Repertory*-related work within the contributing departments. It was noted that the Office of Internal Oversight Services had also recommended the establishment of a central Repertory section.[3]

8. Discussion will continue on the respective merits of the above proposals, as well as on the issue of the format of the *Repertory* in the light of the ongoing changes in electronic communications, with a view to sustaining the production of volumes and eliminating the backlog in a more realistic time frame.

9. Moreover, it should also be noted that the question of discontinuing the publication of the *Repertory* was being discussed in the Secretariat and that a proposal to this effect might be forwarded to the General Assembly by the Secretary-General.

3. Training seminars on preparing the *Repertory*, conducted by the Office of Legal Affairs

10. The Office of Legal Affairs continues to offer to participating Secretariat units training seminars on the preparation of the *Repertory*, as required. The seminars have been held on a continuing basis since 1998 and are open to all participating Secretariat units, with a view to adopting a common approach to preparing the *Repertory*, in accordance with the requirements laid down in the Manual for the Preparation of the *Repertory of Practice of United Nations Organs*. In addition, the Office of Legal Affairs has, on several occasions in 2002, provided assistance and guidance to participating Secretariat units on an ad hoc basis.

4. Recourse to interns

11. Participating units of the Secretariat continue, as in previous years, to resort to interns in the research and compilation of data for the preparation of draft *Repertory* studies. The Interdepartmental Committee remains of the view that the overall contribution of interns to the preparation of *Repertory* studies is constrained by, inter alia, the need for training and oversight by supervisors. The same considerations outlined in the 1999 to 2001 reports continued to apply (see A/54/363, para. 10, A/55/340, para. 8, and A/56/330, para. 9, respectively).

B. Status of the *Repertory*

1. Preparation of volumes III and IV of Supplement No. 5 (1970-1978)

12. In the 2001 report of the Secretary-General (A/56/330, para. 11), it was reported that volume III of Supplement No. 5 was in the final stages of production and would be published by the end of 2001, and that volume IV of Supplement No. 5 would be published by June 2002. The index to Supplement No. 5 would be produced after all volumes of the Supplement were published, and would be completed in the first quarter of 2003.

13. Volume III of Supplement No. 5 will be issued in English in November 2002.

14. Volume IV of Supplement No. 5 was issued in English in July 2002.

2. Volumes I to V of Supplement No. 6 (1979-1984)

(a) Volume I of Supplement No. 6

15. In his 2001 report (ibid., para. 14), the Secretary-General noted that volume I of Supplement No. 6 had been submitted for processing and publication.

16. The volume was published in English in June 2002.

(b) Volume II of Supplement No. 6

17. The Secretary-General in his 2001 report noted (ibid., para. 16) that volume II of Supplement No. 6 was expected to be completed in 2002.

18. The Review Committee was convened in 2002 to review the volume and offered suggestions for revision of several studies. Following their implementation, the Committee approved the volume as a whole. The Department of General Assembly Affairs and Conference Services, as coordinating department for the volume, has submitted the volume for processing and publication.

(c) Volume III of Supplement No. 6

19. The Secretary-General indicated in his 2001 report (ibid., para. 18) that work was continuing on volume III and was expected to be completed by 2003.

20. The Review Committee was convened in 2002 to review the first segment of studies for the volume. It is

anticipated that the remaining studies will be completed by the Department of Political Affairs in 2003, and that the entire volume will be submitted for processing and publication at the beginning of 2004.

(d) Volume IV of Supplement No. 6

21. The Secretary-General stated in his 2001 report (ibid., para. 20) that roughly half of the volume had been submitted for processing, and that it was anticipated that the final segments would be submitted for processing by the end of 2001.

22. The Review Committee was convened to review the remaining studies throughout the latter part of 2001. Following the implementation of suggested revisions, the Committee approved the volume in December of that year. The Department of Economic and Social Affairs, as coordinating department for the volume, has submitted the volume for processing and publication. It is anticipated that the volume will be published in English in September 2003.

(e) Volume V of Supplement No. 6

23. The Secretary-General noted in his 2001 report (ibid., para. 22) that work for volume V of Supplement No. 6 was expected to be completed by the end of 2001.

24. The Review Committee was convened at the end of 2001 to review the volume as a whole and offered suggestions for revision. Following their implementation, the Committee approved the volume in January 2002. The volume was published in English in August 2002.

3. Preparation of volumes I, IV and VI of Supplement No. 7 (1985-1988)

(a) Volume I of Supplement No. 7

25. In his 2001 report (ibid., para. 26), the Secretary-General noted that it was anticipated that the Office of Legal Affairs and the Office of Human Resources Management would commence work on the studies for volume I of Supplement No. 7 in 2002. With regard to the studies to be prepared by the Department of Political Affairs (Articles 1(2), 2(4), 3 to 6), it was noted that work would start if the resources requested for that purpose in the proposed programme budget for 2002-2003 were approved.

26. At its meeting on 12 March 2002, the Interdepartmental Committee decided that work on the volume would commence during the 2004-2005 biennium if the resources requested for that purpose in the proposed programme budget were approved.

(b) Volume IV of Supplement No. 7

27. The Secretary-General reported in 2001 (ibid., para. 28) that it was anticipated that the volume would be submitted for processing and publication by the end of 2003.

28. Work on the volume continues. The Review Committee was convened to review studies as they were finalized. Upon their approval, the Department of Economic and Social Affairs, as coordinating department for the volume, submitted a first segment of studies for processing and publication. It is anticipated that the remaining studies will be submitted by the Department of General Assembly Affairs and Conference Services and the Office of the United Nations High Commissioner for Human Rights by mid-2003, and that the final segment will be submitted for processing and publication by the end of 2003.

(c) Volume VI of Supplement No. 7

29. As stated in the previous progress report (ibid., para. 29), it was anticipated that all studies would be submitted for review in 2002, with a view to the completion of the volume by the end of the year.

30. Work on the volume continues. Most of the studies have been prepared by the contributing units. It is tentatively expected that the remaining studies will be completed and submitted to the Review Committee in the first half of 2003.

4. Work undertaken on future priority volumes

31. In line with the general approach adopted by the Interdepartmental Committee and as noted by the Secretary-General in his 1999 and 2000 reports, several Secretariat units have, on completion of their contribution to current priority volumes, commenced work on future priority volumes. The Interdepartmental Committee once again in 2002 emphasized the importance of such continued work to the sustainability of the overall project and as the key to reaching the Supplement production cycles necessary for the reduction in the backlog in the *Repertory* within a reasonable time period.

(a) Volume II of Supplement No. 7

32. In his 2000 report (A/55/340, para. 33 (c)), the Secretary-General noted that work had started on volume II of Supplement No. 7. Several Secretariat units have submitted studies and others have commenced work on their studies for the volume. It is anticipated that volume II will be completed in 2005.

(b) Volume V of Supplement No. 7

33. Work on volume V for Supplement No. 7 commenced in 2002. It is anticipated that studies will be submitted to the Review Committee as they are finalized and that the volume will be submitted for processing and publication at the end of 2003.

(c) Volume IV of Supplements Nos. 8 (1989-1994) and 9 (1995-1999)

34. In the 2001 report (A/56/330, para. 31) it was indicated that work on Supplement No. 8, volume IV, by the respective author departments would commence in 2002 with a view to its completion in 2004, and that work on volume IV of Supplement No. 9 would commence in 2003.

35. Several studies for Supplement No. 8 have been finalized and work will continue on schedule with a view to completion in 2004.

36. With regard to Supplement No. 9, the Department of Economic and Social Affairs commenced work in 2002. It is anticipated that the backlog in the volume will be eliminated in 2005.

5. Translation of *Repertory* volumes into French and Spanish

37. In his 2001 report (ibid., para. 33), the Secretary-General noted that volumes III and IV of Supplement No. 5 would be issued in French and Spanish at the end of 2001 and June 2002, respectively.

38. With respect to volume III of Supplement No. 5, both French and Spanish versions have been issued. Regarding volume IV of Supplement No. 5, the volume will be issued in French and Spanish in December 2002.

39. With regard to volume I of Supplement No. 6, the volume will be issued in French and Spanish in June/July 2003.

40. With regard to volume IV of Supplement No. 6, the volume will be issued in French and Spanish in September 2003.

41. With regard to volume V of Supplement No. 6, the volume will be issued in French and Spanish in December 2003.

6. Placement of *Repertory* volumes on the Internet

42. In 2002, the Office of Legal Affairs continued to review the possibility of establishing, during the 2002-2003 biennium, a web site for the *Repertory*, containing electronic versions of *Repertory* Supplements where available, especially in the light of the available resources to undertake such a project.

C. Assessment of action required

43. The Interdepartmental Committee on Charter Repertory remains of the view that adequate budgetary resources should continue to be provided on a regular basis for *Repertory*-related tasks, so as to permit a regular rhythm of work on individual studies and monitoring of the workflow on volumes. The Committee also continues to be of the view that, in the short term, a production cycle of one to two *Repertory* volumes per year (eventually to be increased to more than two volumes per year) is necessary to begin to address the backlog in the production of the *Repertory*.

44. The Committee further considers it advisable to continue in 2003 the inter-office dialogue (see sect. II.A.2 above) on reviewing the efficiency of current working methods, with a view to exploring all avenues open to it.

III. *Repertoire of the Practice of the Security Council*

A. Status of the *Repertoire*

1. Translation of the tenth Supplement

45. Pursuant to section III, paragraph 15, of General Assembly resolution 55/222 of 23 December 2000, the *Repertoire of the Practice of the Security Council* is to be published in all official languages beginning with the tenth Supplement, covering the period 1985-1988. The Chinese and Russian versions of the tenth Supplement are expected to be published in October

2002. The Arabic, French and Spanish versions should be completed in April 2003.

2. Preparation of the eleventh Supplement

46. Further progress has been made in the preparation of the eleventh Supplement to the *Repertoire* (1989-1992), covering four years of unprecedented activity of the Security Council. Compared with the previous four years, the number of meetings of the Security Council during this reporting period increased by about 20 per cent and the number of resolutions adopted, by 158 per cent.

47. Studies for the first draft of the Supplement have been completed and are being revised by experienced senior officers. It is expected that the eleventh Supplement will be submitted for publication in 2003.

48. The Security Council Practices and Charter Research Branch in the Security Council Affairs Division of the Department of Political Affairs is exerting its best efforts to maintain this schedule. If it completes the eleventh Supplement before November 2003, as planned, it will have prepared it in less than four years, as opposed to eight years for the tenth Supplement. Given the limited resources available to the Branch and the significant increase in the number of Security Council resolutions and decisions to be analysed in the eleventh Supplement, this would be a welcome development.

B. Elimination of the backlog in the publication of Supplements to the *Repertoire*

1. Need to strengthen the Security Council Practices and Charter Research Branch to enable it to fulfil its mandate, including the timely preparation of future Supplements to the *Repertoire*

49. While the Branch might prove able, at its current staffing level, to prepare the eleventh Supplement to the Repertoire in four years, it still needs to be strengthened if it is to continue preparing Supplements in a timely manner. It should be noted in this regard that the productivity gains achieved through training and restructuring will have soon reached their limit. At the same time, it is anticipated that the workload of the Branch will continue to grow, due mainly to further increases in the activity of the Security Council and in the number of queries regarding its practice and procedure which the Branch is requested to answer in accordance with its mandate. The Branch will therefore need additional resources to produce future Supplements to the *Repertoire* without adding to the existing backlog and without neglecting its two other main responsibilities, which are to contribute to the *Repertory of Practice of United Nations Organs* and to prepare studies on the interpretation and application of the Charter and the provisional rules of procedure of the Security Council.

2. Need to strengthen the newly established temporary team to eliminate the backlog of the *Repertoire*

50. The elimination of the backlog of the *Repertoire*, which had stretched to 12 years by 2000, when the tenth Supplement was issued, is a one-time project which should be entrusted to an additional temporary team, financed through temporary assistance funds and/or extrabudgetary resources.

51. It was originally envisaged that the team would comprise eight Professional and two support staff and prepare two three-year Supplements to the *Repertoire* for the periods 1993-1995 and 1996-1998, respectively. If the team had been established as planned, it would have begun to draft the two Supplements in 2002 and completed them in four years. Thus, the backlog would have been reduced from 12 to 6 years by the end of 2005.

52. With the contributions made to the Trust Fund for the Updating of the *Repertoire*, established in May 2000, the provision of one associate expert and the temporary assistance funds allotted to it in the regular budget, the Branch has only been able to establish a smaller team, consisting of four Professional and one support staff, or half of the staff initially contemplated. This team has begun to work on the twelfth Supplement to the *Repertoire*, covering the period 1993-1995. It is expected to complete that Supplement by 2005, at which time the backlog will have been reduced by three years, from 12 to 9 years. For this to happen, however, additional contributions to the Trust Fund are needed to finance the extension of the contracts of two of the four Professional staff, including the team leader. The continued services of one associate expert are also required.

53. Regrettably, no new contribution to the Trust Fund has been received since last year and no additional associate expert was provided to the Branch. Moreover, a lack of office space has hampered the work of the Branch. Consequently, the recruitment of the second half of the projected temporary team has been deferred and work on the following three-year Supplement, covering the period 1996-1998, has not started.

54. To maintain and strengthen the temporary team, it is crucial that Member States urgently consider making further contributions to the Trust Fund for the Updating of the *Repertoire* and providing the Branch with additional associate experts.

IV. Conclusions

55. In the period under review, the Secretariat continued the implementation of General Assembly resolutions 52/161 of 15 December 1997, 53/106 of 8 December 1998, 54/106 of 9 December 1999, 55/156 of 12 December 2000 and 56/86 of 12 December 2001 regarding the preparation of Supplements to the *Repertory of Practice of United Nations Organs*.

56. With respect to the *Repertoire of the Practice of the Security Council*, progress has been made in the preparation of the eleventh Supplement (1989-1992), which should be completed by 2003. No additional contribution to the Trust Fund for the Updating of the *Repertoire* has been received since the last report, but the contract of the associate expert provided last year has been renewed. Further support is needed to eliminate the backlog in a reasonable period of time.

57. In the light of the above, the General Assembly may wish to

(a) Note that the French and Spanish versions of volume III of Supplement No. 5 of the *Repertory of Practice of United Nations Organs* were published in 2002 and that the English version will be published in November 2002, and that volume IV of Supplement No. 5 was published in English in July 2002 and will be issued in Spanish and French in December 2002;

(b) Note that volume I of Supplement No. 6 of the *Repertory* was published in the English version in June 2002, and that the French and Spanish translations will be published in June/July 2003;

(c) Note that volume II of Supplement No. 6 of the *Repertory* was submitted for processing and publication;

(d) Note that volume III of Supplement No. 6 of the *Repertory* will be completed in 2003;

(e) Note that volume IV of Supplement No. 6 of the *Repertory* was submitted in 2001 for processing and publication, and will be published in French and Spanish in September 2003;

(f) Note that volume V of Supplement No. 6 of the *Repertory* was published in English in August 2002 and will be issued in French and Spanish in December 2003;

(g) Note that work on volume I of Supplement No. 7 of the *Repertory* will commence during the 2004-2005 biennium if the resources requested for that purpose in the proposed programme budget are approved;

(h) Note that volume IV of Supplement No. 7 of the *Repertory* will be completed by the end of 2003;

(i) Note that it is tentatively expected that volume VI of Supplement No. 7 of the *Repertory* will be completed in 2003;

(j) Note that offices intend to continue with work on future priority volumes with a view to reaching the Supplement production cycles necessary for the reduction in the backlog in the *Repertory* within a reasonable time period;

(k) Note that the inter-office dialogue on reviewing the efficiency of current working methods for the preparation of the *Repertory* will continue in 2003 with a view to considering all options, including the possibility of establishing a central Repertory section or permanent posts within contributing departments as well as considering potential changes to the format of the *Repertory*;

(l) Note that the tenth Supplement to the *Repertoire of the Practice of the Security Council* is expected to be published in Chinese and Russian in October 2002 and that its Arabic, French and Spanish versions should be completed in April 2003;

(m) Note that work is continuing on the eleventh Supplement to the *Repertoire*;

(n) Note that additional contributions to the Trust Fund for the Updating of the *Repertoire* are needed to maintain and strengthen the temporary team which has been established to eliminate the backlog in the *Repertoire*, and also note with appreciation the contribution by one Member State of an associate expert and call upon other Member States to consider providing such support;

(o) Note the efforts of the Secretary-General to reduce the backlog of the Supplements to the *Repertory* and to the *Repertoire*.

Notes

[1] The Committee is composed of representatives of all Secretariat units involved in the preparation of Supplements to the *Repertory* (see annex I) and is responsible for directing and overseeing the preparation and publication of those Supplements.

[2] E/AC.51/2002/5, para. 54.

[3] Ibid., recommendation 12. It should be recalled that this idea was previously put forward, inter alia, in 1996 (A/AC.182/L.87, para. 20) as a possible course of action to eliminate the backlog in the *Repertory* volumes.

Annex I

Secretariat units bearing primary responsibility for the preparation of studies on individual provisions of the Charter of the United Nations

Office of Legal Affairs	Repertory *Volume I*: Articles 1 (1), (3) and (4), 2 (1) to (3) and (5) to (7) and 7
	Volume II: Article 13 (1) (a)
	Volume VI: Articles 92 to 99, 102 to 105 and 108 to 111
Department of Political Affairs	*Volume I*: Articles 1 (2), 2 (4) and 3 to 6
	Volume II: Articles 10, 12, 13 (1) (a), 14 and 16
	Volume III: Articles 23 to 39 and 107
	Volume V: Articles 73 to 85, 87 and 88
Department of Political Affairs with Department of Peacekeeping Operations	*Volume III*: Articles 40 to 54 and 106
Department for Disarmament Affairs	*Volume II*: Article 11
Department of General Assembly Affairs and Conference Services	*Volume II*: Articles 9, 15, 18 and 20 to 22
	Volume IV: Articles 60, 61, 62 (3) and (4), 65 to 69 and 72
	Volume V: Articles 86, 89, 90 and 91
Department of Management	*Volume II*: Articles 17 and 19
	Volume VI: Articles 100 (1) and 101
Department of Management with Office of Legal Affairs	*Volume VI*: Article 100 (2)
Department of Economic and Social Affairs	*Volume II*: Article 8[a]
	Volume II: Article 13 (1) (b) and (2)
	Volume IV: Articles 55 (a) and (b), 57 to 59, 62 (1), 63, 64, 70 and 71

Office of the United Nations High Commissioner for Human Rights	*Volume II*: Article 13 (1) (b)
	Volume IV: Articles 55 (c), 56 and 62 (2)
Office for Outer Space Affairs	*Volume II*: Article 13 (1) (a)

[a] The Department of Management (Office of Human Resources Management) is responsible for the preparation of Article 8 for the period up to and including 1996. For the period from 1997 onwards, that responsibility falls to the Department of Economic and Social Affairs.

Annex II

Secretariat units responsible for the coordination of the preparation of *Repertory* volumes

Volume	*Department*
I. (Articles 1 to 8)	Office of Legal Affairs
II. (Articles 9 to 22)	Department of General Assembly Affairs and Conference Services
III. (Articles 23 to 54, 106 and 107)	Department of Political Affairs
IV. (Articles 55 to 72)	Department of Economic and Social Affairs
V. (Articles 73 to 91)	Department of General Assembly Affairs and Conference Services
VI. (Articles 92 to 105 and 108 to 111)	Office of Legal Affairs
Index	Department of Public Information (Dag Hammarskjöld Library)

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Human rights and unilateral coercive measures

Report of the Secretary-General**

Summary

The present report contains contributions by the Governments of Cuba and Mexico. The submission by Cuba deplores the economic, commercial and financial blockade imposed on the country by the United States of America, stating that such practices not only affect the Cuban people but also violate the right of some sectors of the United States economic community to free commercial exchange. Cuba calls on the international community to pronounce itself strongly against such measures and to take action towards the implementation of the resolutions adopted by the General Assembly. The Government of Mexico states its disapproval of the imposition of unilateral sanctions against any country and considers that sanctions should be imposed only when authorized by the United Nations.

* A/57/150.

** On the basis of past experience, it was observed that notes verbales on this issue sent long in advance of the deadline for submission of a report would require a reminder to obtain replies from Governments. The delayed transmission of such notes was initiated in an attempt to ensure that Governments were attentive to the General Assembly's request for replies.

02-57673 (E) 011002 011002

I. Introduction

1. The present report is submitted pursuant to General Assembly resolution 56/148 of 19 December 2001, in which the General Assembly requested the Secretary-General, inter alia, to continue to collect the views and information of Member States on the implications and negative effects of unilateral coercive measures on their populations and to submit an analytical report thereon to the General Assembly.

2. In accordance with paragraph 8 of that resolution, the Secretary-General, in a note verbale dated 19 June 2002, invited Member States to transmit information relevant to the subject matter.

3. As of 5 August 2002, replies had been received from the Governments of Cuba and Mexico. Those replies are contained in the present document. Any additional replies will be submitted in an addendum to the present report.

II. Replies received from Governments

Cuba

[Original: Spanish]
[12 August 2002]

1. The Government of the Republic of Cuba attaches particular importance to the consideration of this issue by the General Assembly and the Commission on Human Rights. Cuba believes that the application of unilateral coercive measures as a means of political and economic compulsion is an attack against the integrity of the State concerned and hinders the full realization of its people's most elementary human rights. Experience shows that the primary victims of coercive economic measures are vulnerable population groups, especially children, women, older persons and the disabled.

2. Cuba maintains that the policy of applying such measures, with the adoption and implementation of such laws as the Torricelli Act and the Helms-Burton Act, has been a central feature of the hostility historically manifested towards Cuba by the United States of America. These laws not only seek to put increased pressure on the Cuban people and stifle the Cuban economy but also undermine and show contempt for the sovereignty of third States, flagrantly violating international trade and shipping norms and hindering the Cuban people in the exercise of its right to self-determination.

3. The harm done to the Cuban people by these measures has been extensively documented by the authorities and non-governmental organizations in Cuba and revealed in a series of reports by the Secretary-General to the United Nations General Assembly.

4. Cuba considers that successive United States Governments have resorted to all kinds of political, economic and military action against the Cuban people, including attempts to isolate the country diplomatically, the use of manipulative propaganda, the encouragement of defection and illegal emigration, espionage, economic warfare and various forms of aggression, such as incitement to subversion, the use of terrorism and economic sabotage, biological warfare, the encouragement of armed groups to invade Cuban territory, the organization of hundreds of plans to assassinate top Cuban Government leaders, military blockade and harassment, the threat of nuclear extermination and even direct aggression using an army of mercenaries.

5. Cuba also considers that these practices blatantly contravene the Declaration on Principles of International Law concerning Friendly Relations and Cooperation among States in accordance with the Charter of the United Nations, contained in the annex to General Assembly resolution 2625 (XXV) of 24 October 1970, which provides, inter alia, that

> "No State may use or encourage the use of economic, political or any other type of measures to coerce another State in order to obtain from it the subordination of the exercise of its sovereign rights and to secure from it advantages of any kind."

6. The Cuban Government's view is that this policy, which has failed to achieve its purpose for over 42 years, also violates the right to free trade of the members of the North American economic community who would like to enjoy the benefits of trading with Cuba. Moreover, Cuba maintains that attempts to end this unjust policy in the United States itself, in the form of legislation submitted to Congress, have been scandalously blocked by the extreme right minority in

North America and the mafia-like anti-Cuba lobby based in Florida.

7. Cuba finds it unacceptable that, although the international community has unequivocally and systematically called for an end to the blockade against Cuba in a series of General Assembly resolutions every year for the past 10 years, the United States Government continues to ignore the will of the international community and adopts new laws, measures and provisions to tighten the blockade.

8. Cuba is firmly convinced that it is more important than ever before that the international community continue to condemn the use of such practices and that urgent steps be taken to ensure effective compliance with the decisions of the General Assembly.

Mexico

[Original: Spanish]
[12 August 2002]

1. Mexico rejects the application against any country of legislation or unilateral measures, having an extraterritorial effect. Mexico has always rejected the use of coercive measures as a means of applying pressure in international relations, believing that unilateral acts of this nature put the sovereignty of States at risk, contravene the principles of Mexico's foreign policy and are contrary to international law.

2. Mexico conducts its foreign relations on the basis of the principles enunciated in the Charter of the United Nations, which make coexistence among nations the rule and are in keeping with the principles of Mexico's Constitution. These principles are: the self-determination of peoples; non-intervention; the peaceful settlement of disputes; the prohibition of the threat or use of force in international relations; the legal equality of States; international cooperation for development; and the need to ensure international peace and security.

3. Mexico has expressed its rejection of the imposition on any State of political or economic sanctions that have not been duly authorized by the Security Council, in accordance with the Charter of the United Nations or with other measures recommended by the General Assembly.

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Note by the Secretary-General

The Secretary-General has the honour to transmit to the members of the General Assembly the report of the Joint Inspection Unit entitled "The results approach in the United Nations: implementing the United Nations Millennium Declaration" (JIU/REP/2002/2).

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THE RESULTS APPROACH IN THE UNITED NATIONS: IMPLEMENTING THE UNITED NATIONS MILLENNIUM DECLARATION

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ACRONYMS

ACC	Administrative Committee on Coordination (now CEB)
ACABQ	Advisory Committee on Administrative and Budgetary Questions
BWI	Bretton Woods institutions
CAS	Country Assistance Strategy (World Bank)
CCA	Common Country Assessment
CCRR	Common Country Review Report
CDF	Comprehensive Development Framework
CEB	United Nations System Chief Executives Board for Coordination (formerly ACC)
CPC	Committee for Programme and Coordination
DAC	Development Assistance Committee
DESA	Department of Economic and Social Affairs
ESAF	Enhanced Structural Adjustment Facility (IMF)
GNP	Gross National Product
HIPC	Highly Indebted Poor Countries Debt Reduction Initiative (World Bank)
ICFD	International Conference on Financing for Development
IDA	International Development Association
IMF	International Monetary Fund
LLDC	Least Developed Countries
MTCPRR	Medium-Term Conflict Prevention Review Report
MTP	Medium-Term Plan
MTSRR	Medium-Term Strategic Review Report
NGO	Non-governmental Organization
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
OIOS	Office of Internal Oversight Services
PRGF	Poverty Reduction and Growth Facility (IMF)
PRSC	Poverty Reduction Support Credit
PRSP	Poverty Reduction Strategy Paper
PUMA	Public Management Service (OECD)
RBB	Results-based budgeting
UNCTAD	United Nations Conference on Trade and Development
UNDAF	United Nations Development Assistance Framework
UNDG	United Nations Development Group
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
WB	World Bank
WFP	World Food Programme
WTO	World Trade Organization

EXECUTIVE SUMMARY

"I firmly believe ... that we can and must do better."

Kofi A. Annan [1]

The Millennium Declaration adopted at the end of the second millennium, by 147 heads of State and Government, and by 189 Member States in total, has created a new challenge for the international community. It has established clear goals in the areas of peace, conflict prevention, poverty eradication, development in the broader sense, protection of the vulnerable, the special needs of Africa, to name but a few, and has established target dates, mostly situated at 2015. In the "Road Map towards the implementation of the United Nations Millennium Declaration" (A/56/326), the Secretary-General underlined "the vital importance of a comprehensive approach and a coordinated strategy" for the fulfilment of the Millennium Declaration Goals. He further stated that "the international community has just emerged from an era of commitment. It must now enter an era of implementation, in which it mobilizes the will and resources needed to fulfil the promises made". He also recognized that the whole world would be watching to see how it was carried out.

Efforts have been made in the United Nations system[2] and the Bretton Woods institutions (BWI), i.e. the World Bank and the International Monetary Fund,[3] towards establishing new methods of work:

- The reforms of the United Nations were initiated by the Secretary-General in 1997 with a view to bringing about greater coherence inside the United Nations with the cooperation of the BWI. The introduction of the results concept in the budgeting and planning exercise has created a further momentum for change in the management culture of the Organization;

- Important changes have taken place in the BWI which have put poverty eradication high on their agenda, recognizing that social development goals need to be fully integrated into the macroeconomic framework and structural reforms, if the objective is to be attained. The Comprehensive Development Framework (CDF) developed by the President of the World Bank Group, James D. Wolfensohn, espouses a holistic approach to development, and is the basis for the Poverty Reduction Strategy Papers (PRSPs) prepared by developing countries, under the concept of ownership, together with the BWI in order to qualify them for debt relief.

This climate of reform and cooperation has provided a promising context, and will enable the United Nations to fulfil the mission assigned to it by Article 1, paragraph 3 of the Charter of the United Nations "to maintain international peace and security" and "to achieve international co-operation in solving international problems of an economic, social, cultural or humanitarian character". It has also created an opportunity to enhance the coordination role of the Economic and Social Council as embodied in Articles 62, 63 and 64 of the Charter. Against this background, the concept of results currently used by the United

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[1] "Report of the Secretary-General on the work of the Organization" (A/56/1, para. 12 of 6 September 2001).

[2] The United Nations System referred to in this report excludes the Bretton Woods institutions which is not always the case in literature. The United Nations system relates to the United Nations, its agencies, programmes and funds.

[3] This report is addressed to the Member States of the United Nations system. As the actions of the BWI and the World Trade Organization (WTO), also referred to in the report, are pivotal and often decisive for developing countries and as they form an integral part of the international community and are members of the United Nations System Chief Executives Board on Coordination (CEB) it is difficult not to deal with them in this report. As stated in the summary of one of the ministerial round tables at the International Conference on Financing for Development (ICFD)on "Coherence for development" (A/CONF.198/8/Add.7, para. 5): "Speakers pointed out the importance of strengthening coherence between the United Nations, the Bretton Woods institutions and the World Trade Organization, as well as regional financial institutions."

Nations has to be clarified and brought into line with the goals of the Millennium Declaration. The present report aims to clarify the concept of results.

This report comprises two parts: part one deals with the experiments in results-based budgeting and planning, and their shortcomings, and explains why and how they could be improved and reconsidered. Part two describes the new instruments and processes to be created which will enable the United Nations system to adopt a meaningful realistic results approach, providing Member States with important tools to monitor progress towards the Millennium Declaration.

Part one shows that results (termed as expected accomplishments in the United Nations programme budget and medium-term planning contexts) are understood in a somewhat ambiguous way as being primarily results obtained by the programme activities of the United Nations proper. On the other hand, results used in the Millennium Declaration and major United Nations conferences are to be understood as results which ought to be brought about at the country and world level, with the assistance of the international community.

Part one of the report also examines the use made by national Governments of outcome-focused management techniques, that is, inter alia, results-based budgeting (para. 8 and Annex I), and shows the difference in enabling environments in a national versus an international context (paras. 9 et. seq.). It is argued that part of the malaise that exists in the United Nations Secretariat in connection with the results-based budgeting and planning techniques that are currently being applied stems from the fact that the differences between national and international contexts described in the report have not been fully taken into account.

The results-based techniques, it is argued, have not been adapted to the needs and realities of international organizations such as the United Nations (paras. 24 et seq.). Examples of the 2002-2003 programme budget and 2002-2005 medium-term plan (MTP) (paras. 43 et seq.) are given to substantiate this argument. Indeed it is obviously more difficult to use results-based budgeting and planning in the United Nations context than in a national government context, due to the number of decision makers (number of Member States), the nature of programme activities, imprecision of objectives, no true time limitations, no baseline data for comparison, inadequate correlation of objectives with resources and, last but not least, the role and impact of the United Nations in the observable change process.

The report recommends that the present results-based budgeting methodology should be kept under constant review and adapted further to the needs of Member States in order to observe and measure change. Recommendations relate to a better definition of the concept of "expected accomplishments", especially in view of the time constraints imposed by the biennium, the format of the results-based programme budget and the need to create an enabling environment.

RECOMMENDATIONS 1 AND 2:

1. The concept of "results" should be clarified. A distinction should be made between results of the programme activities of the United Nations proper, i.e. accomplishments used in the programme budget context and the results at the country and the world level used in the context of major United Nations conferences and the Millennium Declaration.

2. Application of results-based budgeting techniques in the United Nations ought to be kept under review with a view to adapting them to the very specific nature of the United Nations and the Member States' need to observe change. The concept of accomplishments will have to be more clearly and accurately defined by and with programme managers as they will ultimately be held accountable for programme performance. An enabling environment has to be created, including dynamic and flexible human resources management, adequate information systems, training facilities for staff, confidence-building not only within the Secretariat but also between the

Secretariat and Member States, and more flexibility for programme managers in exchange for accountability. Regarding administrative and other support activities , more precision is needed (see para. 77).

Part two of the report aims at answering the question of what a realistic and meaningful results approach could be in the medium term, with a view to charting progress towards the attainment of the Millennium Declaration. Reform efforts in both the United Nations system and the BWI are described in greater detail with emphasis on the economic and social fields. The report shows that the newly established climate of cooperation, inside the United Nations system and with the BWI, has made some progress and is creating important opportunities (paras. 80-100), but there remains much to be done in order to reach the Millennium Declaration Goals in time.

There is at present no strategic framework accepted by all actors working towards the Millennium Declaration Goals. The new emphasis of the BWI on poverty eradication has not yet led to noticeable modifications to adjustment policies. Some social concerns have been added to basically unchanged macroeconomic and structural policies. Nor as yet, has the question of financing of the recommended poverty alleviation measures been addressed in a meaningful and credible fashion (para. 117). The BWI recognize that the process of strategy formulation "fails to achieve a balance in addressing macroeconomic, social and structural issues" (para. 101). The United Nations reports express the same reservation (paras. 102-104).

Too many documents, often containing the same descriptions, are prepared at the country level with high transaction costs both for the United Nations system and for the BWI (paras. 115,116 and 123). Several deal primarily with social development concerns, others by the BWI with economic, financial and structural aspects and adjustment conditionalities. In addition, at the country and world level there is not yet a serious discussion among the BWI, WTO, the United Nations system, the main donor countries and the countries concerned, regarding the necessary integration of social concerns (as expressed primarily by the United Nations system) into the mainly macroeconomic, financial and structural policy prescriptions of the BWI, with a view to achieving social and political viability, and thus sustainability. No process is in place to organize better coordination of all the actors, as the United Nations Development Assistance Framework (UNDAF) primarily addresses social concerns and mainly involves United Nations system partners. Finally, no opportunity exists to discuss the relationship of economic and social policies, as these may relate to the role of the United Nations in conflict prevention (para. 119). All these lacunae need to be filled. The recommendations made propose possible solutions.

RECOMMENDATIONS 3-8:

3. For the medium term, *at the country level the excessive number of documents and reports* produced describing the situation of the country should be *replaced*, after consultation within CEB, *by a single document*, to be called *Common Country Review Report (CCRR)* prepared along the lines described in paragraphs 125 and 126. This CCRR should replace in future to the extent possible reports made by individual organizations in order to reduce transaction costs and avoid duplication. *A strategic review debate should be held at the country level every five years* in order to reach an agreement on the strategy to be applied (see paragraph 128).

4. *At the world level, a report synthesising the country level debates*, complete with best practices and lessons learned and conclusions drawn, should be prepared by the United Nations *every five years*. This report, to be called *Medium Term Strategic Review Report (MTSRR)*, should, as far as possible, establish a typology of comparable economic and social development and poverty situations in the various countries, and propose strategies applicable to each type (see paragraph 135). The aim would be to set out for the medium-term period, a coordinated, coherent, if not common, strategic framework for the United Nations system, the BWI and other major players, that would assist Member States in reaching the Millennium Declaration Goals.

5. The *Medium Term Strategy Review Report (MTSRR)*, together with the comprehensive statistical report promised by the Secretary-General in his Road Map, should be *submitted every five years to a high level meeting of the Economic and Social Council*. The aim would be to build greater consensus and ensure policy coherence in strategies for development and poverty reduction, to give directives to international institutions, and to make medium-term pledges regarding external assistance. A coherent and coordinated strategic policy framework, to be established through such a process, would contribute further to the implementation of the Millennium Declaration (see paragraph 136). The debate should enable a consensus to be reached on how to integrate adjustment with poverty eradication on a sustainable basis.

6. The preparation of such an integrative synthesis report by the United Nations will require a considerable number of skilled personnel. Bearing in mind current resource constraints, consideration should be given to eventually reducing the number or range of economic and social documents at present produced by the United Nations insofar as they deal with the same subject and do not differ in their policy conclusions. In view of the fact that not all of the various descriptive reports on the world economic and social situation are policy-oriented, there is a *case for reassessment and eventual streamlining* of their production (see paragraph 133).

7. Parallel to the above initiatives and in order to enable the United Nations to fulfil its mandated mission under Article 1, paragraph 3, of the Charter of the United Nations, a *Medium Term Conflict Prevention Review Report (MTCPRR)*, should be prepared by the United Nations Secretariat every five years on the basis of the MTSRR, describing the relationship between progress made in poverty eradication, development enhancement and conflict prevention. This report should be *submitted to the Security Council to be debated in that forum and, if so decided, also by the General Assembly* (see paragraph 138).

8. As far as the *future of the MTP exercise* is concerned, *two options* are open for Member States to decide upon.

- ***Option 1*: If the two new instruments that have been recommended for creation, namely the *CCRR* and the *MTSRR, described in recommendations 3 and 4*, satisfy the requirements of Member States for medium-term strategic orientation, they *could decide not to establish a successor plan* to the existing 2002-2005 MTP.**
- ***Option 2*: The next MTP, if maintained, would have to take the two *new instruments* recommended *into account. Their policy conclusions for United Nations programmes and activities would have to be translated into the next MTP*. Emphasis ought to be given to fully integrating the Millennium Declaration Goals and the Road Map suggestions into the existing and future MTPs of the Organization, so that Member States can assess the relevance and coherence of the strategy of the United Nations to assist Member States in reaching the Millennium Declaration Goals.**

INTRODUCTION

1. This report attempts to clarify the concept of results presently used in the United Nations. On one hand, results are expressed as expected accomplishments in the programme budget and the MTP and are understood, in a somewhat ambiguous way, as being primarily results obtained by the programme activities of the United Nations proper. On the other hand, the concept of results used in the Millennium Declaration and in major United Nations conferences is to be understood as results which ought to be brought about with the assistance of the international community at the country and world level, which would also cover the important regional dimensions.

2. The Inspector considers it important to investigate whether the two concepts fulfil the function assigned to them and whether they meet the expectations of Member States. The enquiry shows that the narrower results concept understood primarily as results of United Nations actions has considerable limits, as shown in part one of the report which examines the use presently made of the results approach in the context of the 2002-2003 programme budget and the 2002-2005 MTP.

3. In the light of the conclusions drawn from present experiments with results-based budgeting and planning, the report proposes that, at least for the medium term, the more ambitious concept of results be adopted, that is, the one used in the context of the Millennium Declaration and other major United Nations conferences. **This, in turn, leads to a reconsideration in part two of the whole planning exercise as undertaken at present in the MTP context.**

4. A reconsideration of the instruments and of the process is also proposed to bring the exercise much more into line with the declared objective of Member States to create "a framework for the implementation of the Millennium Declaration", the call "for an integrated, coordinated, comprehensive and balanced approach in the implementation of the United Nations Millennium Declaration at the national, regional and international levels",[4] as well as with the request for urgent consideration on "how the implementation of the Millennium Declaration should relate to the biennial budget process and the medium-term plan".[5] It addresses invitations to the "Bretton Woods institutions to become involved actively in the implementation of and follow-up to the Summit" and to WTO "to contribute to the implementation of the Millennium Declaration".[6]

5. Furthermore, the proposed new instruments and process should, it is suggested, facilitate the missions entrusted to the United Nations under Article 1 of the Charter, that is "to maintain international peace and security" and "to achieve international co-operation in solving international problems of an economic, social, cultural, or humanitarian character". The climate of cooperation created by, inter alia, the reforms undertaken at the initiative of the Secretary-General in 1997 and the commitment of Member States to work together within the United Nations system towards commonly agreed goals, as embodied in the Millennium Declaration, provides a promising context for progress in this domain.

6. Consequently, this report comprises two parts: the first part deals with the experience of results-based budgeting and planning and their shortcomings, and explains why and how they could be improved and reconsidered. The second part describes the new instruments and the new process, which could enable the United Nations system to adopt a meaningful realistic results approach, and to provide Member States with other important tools to monitor progress towards the Millennium Declaration Goals.

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[4] "Follow-up to the outcome of the Millennium Summit", (A/RES/55/162) preamble para. 7 and op. para. 1.

[5] Ibid., para. 10.

[6] Ibid., paras. 12 and 13.

PART ONE. THE RESULTS-BASED BUDGETING AND PLANNING EXPERIMENT: SHORTCOMINGS

A. THE CONCEPT OF RESULTS IN THE UNITED NATIONS AND IN MEMBER STATES

7. The introduction of the concept of "results" presents a challenge because it suggests that it is indeed possible to measure the efficiency of United Nations activities with a certain degree of precision. Experience shows, however, that this is very difficult. Nevertheless analysing this problem provides an opportunity **to deepen the analysis of the very nature of United Nations activities**, and to clarify the reasons for the difficulties encountered in similar attempts in the past, and, finally, why it is difficult to provide Member States and the public at large with a clear picture of what the United Nations is doing, and how and how far it is able to facilitate Member States' action. The concept of results-based budgeting was introduced in the United Nations in 1997.[7] Considerable efforts and investments both in human and financial resources have been made. These have included the preparation of the 2001-2002 programme budget on an experimental basis with several mock-up chapters, the 2002-2003 programme budget,[8] and the 2002-2005 MTP.[9] They were designed to achieve greater clarity, a better understanding of the activities of the various programmes, and to show that "results"[10] could be obtained. The 2002-2003 programme budget is the first programme budget proposal within the MTP for the period 2002-2005 as well as the first proposal using a results-based budgeting format. It incorporates the concepts approved by the General Assembly in its resolution 55/231 of 23 December 2000. The Secretary-General, Kofi A. Annan, went on to state that "the new format strengthens the link with the medium-term plan and is meant to shift the budgetary process from a mainly quantitative focus on resources to one more aligned to a qualitative approach based on expected accomplishments, programme delivery and measurement of the effectiveness of the Organization's activities".[11] The present budget format thus aims to provide greater clarity concerning United Nations activities and, therefore, a better understanding of the activities of the various United Nations programmes, and also to show that tangible results can be obtained. Clearly, if the United Nations was able to demonstrate that concrete verifiable results could be achieved every two years (or every four years, which is the current MTP period), and that the type of results to be obtained can be indicated in advance, whether in the field of peace, or economic and social affairs, human rights, etc., the public's doubts regarding the United Nations' efficiency and efficacy would be reduced. This might even play a crucial role in increasing governmental support for the Organization, and would facilitate fund-raising in the private sector. Such objectives are eminently worthwhile, bearing in mind what is at stake. The key issue is whether conditions exist to render such objectives attainable.

8. Experimentation with results-based budgeting methods in the United Nations was inspired by the new methodology adopted by a number of Member States in the preparation of their national budgets. **Annex I** is a review of these various experiences and a summary of the state of the art in this domain.[12] It shows, in particular, the distinction that is made between the various levels of objectives, distinguishing between aims or general objectives, objectives, and targets. The latter is the most precise level to which the qualification SMART, i.e. specific, measurable, achievable, results focused and time-bound, is applicable. While lessons for the United Nations and the United Nations system can obviously be learned

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[7] "Renewing the United Nations: a programme for reform" (A/51/950 of 14 July 1997 and A/51/950/Add. 6 of 12 November 1997 on results-based budgeting).

[8] A/56/6 (Sect. 9) of 19 April 2001.

[9] A/55/6 of 4 April 2000.

[10] Referred to in the programme budget and MTP context as expected accomplishments and indicators of achievement; as the report deals with the established concepts of results-based budgeting and–planning, this report will rather use the term "result".

[11] Foreword and Introduction to the Proposed programme budget for the biennium 2002-2003 (A/56/6 of 25 April 2001).

[12] The author has used the work done by the Working Party of Senior Budget Officials of the Public Management Service (PUMA) of the Organisation for Economic Co-operation and Development (OECD) in 2001.

from all these experiments, they clearly need to be adapted to the different nature of international organizations. To date this adaptation has not been undertaken in an appropriate fashion.

B. THE CONCEPT OF RESULTS IN THE UNITED NATIONS BUDGET AND PLANNING CONTEXT AND IN MEMBER STATES

9. There is indeed a radical difference between the concept of results in a national Government context, and that of the United Nations. In the first case, the definition and the execution of programmes are in the hands of a Government, which by definition has a policy approved by a national parliament. **Planning by results is therefore more feasible in this instance, as the national Government is in charge of the process to be followed domestically** to achieve the desired results. The Government can make commitments concerning the necessary resources; it can define the strategies to be pursued; and can ensure the necessary policy coherence between sectors and activities. Moreover, a Government has the means to obtain objective evaluations of the results, and to correct or change its strategy when necessary. It is also possible for a Government to make a clear distinction between the different level of objectives (aims, objectives and targets) because it is able to formulate decisions at all these levels. **It is able to observe change by making comparisons between the baseline data at the beginning of a programme and, those to be achieved at the end of a given period.** The **type of results** which a country may decide to obtain (for example, lower rate of population growth, an increase in the number of available experts trained in specific fields, an increase in the rate of enrolment at schools, etc.) can be expressed in precise figures. Of course, even in the context of a national budget, not all types of activities lend themselves to precise planning. And States may not even achieve their targets, however well-chosen their strategy, owing to, for example, changes in the external economic environment over which they have no decisive control.

10. But the situation with regard to the United Nations and other international organizations is substantially different. The type of United Nations activity for which results can be expressed by comparing two figures is very rare. It is, for example, possible to calculate the increase in a given period in the number of countries implementing a convention, or respecting certain recommended practices (if the implementation depends only on the efforts made by the United Nations in this direction), or to calculate the increase in the number of publications sold. But, as will be seen below, when such achievement indicators are used, figures are never given, which seems to indicate that some difficulties have been encountered.

11. **In the United Nations, the orientation and execution of programmes depend on the degree of consensus existing between all Member States, and on their political will to cooperate in the execution of these programmes.** Some of the United Nations' important programmes are devoted to attempts to achieve the maximum consensus possible. The work of programme managers would be facilitated if the decision makers themselves were to define the objectives or even the targets in a more precise manner. The efficiency and effectiveness of a system based on results depend to a large extent on the will of Member States to be precise on these matters, to identify clearly their objectives or even targets. **But it also vitally depends on their willingness to make the necessary resources available.**

12. It is, in fact, very difficult to demonstrate any observable change, if the initial situation at the start of a United Nations activity in a country (or at the world level) is not indicated. But, if the United Nations' role to bring about change is not fundamental, it becomes even more difficult. In the majority of cases, the **United Nations is obviously not acting alone in trying to achieve change and thus results**. The fact that United Nations programmes and activities are spread throughout the world, and are both ambitious and complex, causes further difficulties. Even if the United Nations were trying to coordinate the various other actors in the international community, it would be impossible to attribute solely to the United Nations the results obtained by means of this coordination. Furthermore, in many cases, it has been impossible to obtain commitments from the various actors to furnish the necessary resources. A further difficulty is caused by the fact that decision makers in the United Nations use wording which is

too vague and too general for the formulation of objectives.[13] For example, in respect of eradication of poverty or promotion of human rights the objectives are indicated only for the long term (2015 for example), and they are not accompanied by precise plans of action for the medium term. It is argued here that the type of work the United Nations undertakes–advisory services, technical assistance, etc.–cannot in the absence of serious coordination efforts, lead to any clear results.

13. There are in the United Nations, several levels of possible results:

- Results in terms of *outputs*, such as publications, reports, seminars, meetings, support of the work of Commissions, operational activities, if any;
- Results in terms of *outputs which could have a lasting influence*, as for example, the adoption and ratification of an international convention, the establishment of an institution able to help Member States for a long period of time, as in the case of research institutes, training schools, investment in permanent equipment, publication of handbooks which could be useful for several years if regularly updated, etc. The production of outputs of a lasting nature generally requires a mix of operational activities and provision of advice;
- Results in terms of *achievements for the benefit of Member States*: for example, staff trained in a profession (teachers, specialists, physicians, nurses, lawyers, etc.), assistance in the establishment of national or regional institutions, a measurable reduction in the rate of population increase in countries where this rate is considered too high, a measurable increase in productive capacity, an increase in the number of people benefiting from the introduction of new social legislation during the plan or budget period, the adoption of national legislation in conformity with principles recommended by the international community. Achievements or results such as these can be quantified more or less precisely, which makes it possible to compare figures at the beginning and at the end of the plan or budget period.. There is therefore the possibility of monitoring and defining what constitutes observable change, on the basis of comparison between the situation existing at the beginning of a given period and the situation expected to exist at the end of that period. **But, in general, results of this kind cannot be obtained by the United Nations Secretariat alone.** They are often results attributable to cooperation between all or some United Nations system partners, the specialized agencies, United Nations funds and programmes (such as the United Nations Population Fund (UNFPA), the United Nations Children's Fund (UNICEF), the United Nations Development Programme (UNDP) and the World Food Programme (WFP)), the BWI, the European Union, and also, in many instances, bilateral aid agencies, and most importantly of course the countries themselves. Only in very exceptional cases can results be considered as results of the United Nations Secretariat alone. And, even in these exceptional cases, these results would only be obtained with the assistance of the country or countries concerned.

14. Bearing in mind these considerations, it is clear that the United Nations as such can only produce results of the first and second types indicated above. In the case of the **third type, that is the results obtained in the countries themselves, it is obvious that in the great majority of cases the United Nations is not alone in providing the necessary assistance and resources but is only one** of various participants. The United Nations cannot, in general, even pretend to be the coordinator of the various contributions. The exception would be cases where the results are the outcome of a specific project involving technical assistance provided by the United Nations alone, something which is quite rare.

15. The above highlights the difference between the situation of the United Nations and that of a nation State, and demonstrates clearly that it is exceedingly difficult, if not impossible, for the majority of programme managers to comply with the requirements to specify observable change in relation to their programmes and projects.

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[13] Termed as "Goals" in the "Road map towards the implementation of the United Nations Millennium Declaration: report of the Secretary-General" (A/56/326 of 6 September 2001).

16. It is important not to ignore the fact that **Member States are primarily interested in the results obtained at the country, or at the world level.** Evaluations undertaken by the Economic and Social Council, and the goals mentioned in the Secretary-General's Road Map, focus on these types of results. It is important for the United Nations to be able to demonstrate, through the results-based approach employed in its programme budget and MTP, that the United Nations **contributes to the attainment of this type of goals in a way that can be measured and assessed. As will be seen below, the only way that this can be done is by demonstrating that it fully performs its mandated role as coordinator of the activities of the United Nations system and, preferably, of the entire international community.** This will require the United Nations to demonstrate that it makes a **decisive contribution to the coherence of the strategies of the various actors**. The achievement indicators chosen in the present results-based budgeting exercise do not perform this function and this is perhaps the main reason for the present malaise in relation to this issue.

17. The question thus becomes: ***what kind of changes in the methodology of the decision-making process, that is in the preparation of decisions, in the type of documents describing the programmes and in the role of the Secretariat, would it be necessary to make to enable the United Nations to define achievable results***?

C. CONSTRUCTIVE CRITICISM OF CURRENT EXPERIMENTATION WITH RESULTS-BASED BUDGETING AND PLANNING

18. Before attempting to elucidate this issue, it is necessary to describe the reactions of the various parts of the United Nations Secretariat concerned, of the representatives of Member States, and of experts, to the existing results-based budgeting experiment. Numerous, often critical, observations have been made in various reports by the Secretary-General, by the Advisory Committee on Administrative and Budgetary Questions (ACABQ) and by the Committee for Programme and Coordination (CPC).

19. **Annex II**, which summarizes the remarks found in these reports, indicates that, in the opinion of the users of the MTP and the programme budget, a clearer distinction needs to be made between the long-term goals (outcome, goals or aims), the medium-term objectives (more concretely defined than the aims), and short-term targets or expected accomplishments (in two years, at the programme budget level, or four years at the MTP level), which are to be reached by means of a mix of instruments and various types of outputs.

20. There is wide concern over the lack of precision regarding the observable change indications to be achieved by the various programmes. In other words, ways need to be found to make a clear description of the difference between the existing situation and the situation to be obtained as a result of the programme or activity.

21. The desire has also been expressed to develop a more precise description of the strategies (or policies) to be followed, so as to determine the choice of programmes and, at the level of programmes, to help specify the choice of targets and outputs. This, in turn, implies the need to adapt the methodology to the specific nature of the various programmes, and to harmonize, and eventually standardize, the terminology.

22. The majority of these observations and concerns seems, however, to imply that the admittedly ambitious undertaking involved in the introduction of results-based budgeting and planning, which is intended to change the management culture of the Organization, could provide satisfactory results if the methodology was further refined by, for example, making a better choice of achievement indicators. The Inspector's assessment confirms this conclusion, but suggests that it would not be sufficient for programme managers alone to introduce the refinements intended to improve achievement indicators and formulate a clearer description of strategies. Rather, it is essentially a shared responsibility with Member States, who must also be called upon to make more informed and clear decisions.

23. The Inspector's own enquiry, within the Secretariat, indicates that programme managers were not entirely satisfied with the methodology they were expected to apply. Indeed, a certain uneasiness was expressed about the whole exercise.

24. The programme managers interviewed by the Inspector, particularly in the Department of Economic and Social Affairs (DESA), admitted, that, while being fully supportive of the results-approach concept introduced by the Secretary-General in his 1997 reform package, they were not always entirely convinced of the usefulness of the exercise as conceived at present. The following comments are worth noting in particular.

25. The *present system was process driven*, that is, introduced, designed and promoted by budget specialists who were often not entirely familiar with the content of the programmes and the constraints under which they operate.

26. The methodology had been introduced with the help of outside consultants and was based on models used in national budget experimentation, rather than being designed for an international organization such as the United Nations with its **specificity**, both as regards the decision-making process, the greater problems involved in arriving at **international**, as compared with national, consensus, and the **nature of United Nations programmes**.

27. The **format** was therefore **ill-suited** to the broad spectrum of United Nations programmes which range, inter alia, from routine managerial tasks to political affairs, the rendering of policy advice, norm and standard-setting and technical assistance.

28. The **format and methodology** were deemed to be **too rigid**, preventing programme managers in charge of substantive activities and functional committees from describing their activities in a proper results fashion.

29. **The achievement indicators chosen were more or less standardized** and thus not always adapted to the programmes in question, nor **defined by programme managers themselves**. In many instances they were prescribed by outside consultants more versed with national Government experiences. Because of time constraints, programme managers were often not in a position to express their own ideas and, when they tried to do so, they were told that it was important to adopt, and adhere to, a **uniform presentation**. **This applied to both the programme budget as well as to the most recent MTP**. Some programme managers admitted that ultimately, they did not always recognize their programmes in the uniform description which the budget officers chose to provide, largely because of the limits placed on space in the reporting forms. They were of the view that the programme descriptions in the programme budget and the MTP often gave little up-to-date information on what the programmes were really about, let alone intended to achieve.

30. The programme managers' declared lack of interest in investing more time and effort was in part attributed to the overload of the mandated work they had to accomplish within a constant budget line and thus within an existing level of human and financial resources. But it was also attributed to ***a lack of incentives***. In introducing results-based budgeting it had been assumed that this would give programme managers greater flexibility, as it was thought it would be accompanied by a willingness on the part of Member States to reduce the amount of micromanagement on their part in exchange for more transparency and accountability. The recent exercise in preparing the results-based 2002-2003 programme budget had proved this not to be the case, and provided little assurance that the situation would change.[14] Moreover, no additional funds were promised, nor did Member States demonstrate any ability or willingness to set priorities, or to allow programme managers to determine priorities.

31. Hence, **few top officials seem to have taken a keen personal interest** in, or made a personal commitment to, making results-based budgeting and planning a worthwhile reflective exercise. Some pointed out that the scope for programme managers to concentrate their work in areas of comparative advantage was also hampered by the **skills and experience of their staff**. This raises the question as to how much room for manoeuvre is available to a programme manager whose staff are mainly hired on a

[14] The recent General Assembly draft resolution Questions relating to the programme budget for the biennium 2002-2003 (A/C.5/56/L.29) shows on the part of Member States continued concern and interest in detailed organizational management and administrative questions.

permanent basis and often lack the skill profiles corresponding to new challenges and for whom there are few training facilities.

32. Some officials pointed out that Member States themselves impeded the use of a results approach owing to a lack of real consensus, or of the commitment and determination to work jointly with the Secretariat towards stated objectives. Some referred to criticism aired by Member States in the course of the 2002-2005 MTP exercise[15] to the effect that it was not up to the Secretariat to refer to Member States' responsibilities nor to pass judgement on them by virtue of the manner in which the Secretariat described their national situations, nor to tell them what actions to take in designated areas. Secretariat members pointed to the fact that, largely owing to financial and human resource constraints, it was neither reasonable nor meaningful to state objectives to be attained by the Secretariat only. It was unrealistic to maintain that the United Nations Secretariat alone would be able to engineer and trigger off **observable change, which is the very essence of a results-based approach. Furthermore, in the view of some members of the Secretariat, Member States were often somewhat inconsistent in their decision-making processes and seldom ready to set clear objectives.** Rather, in order to veil a lack of consensus, they agreed on rather vague and ambiguous language which created difficulties in translating decisions into meaningful programmes. Member States seemed too often satisfied with the mere negotiation of resolutions and concerned themselves to a much lesser degree with the question of implementation and results, which they seldom monitored or evaluated in depth. It therefore appeared that the decision-making process was often deemed to be sufficient in itself and a substitute for proper discussion of the content and follow-up.

33. Finally, some programme managers attributed **this lack of incisiveness and concern over such matters on the part of Member States to a lack of appropriate substantive expertise**, in that often Member States were represented by local delegations whose work necessarily covered a wide range of substantive areas and institutions. Understandably, unlike specialists, they were not always sufficiently informed on the cutting-edge issues, state of the art or debate in the specific substantive subject areas under consideration in the functional expert committees, nor on the comparative advantage of United Nations system action in a given field. Experts, on the other hand, were seen to be far more interested in, and concerned with, substance rather than with process and political bargaining. They were willing and able to direct the Secretariat members in their work rather than the other way round. Programme managers thus found that it was mainly with the help of experts that progress in matters of substance could be made and results thus obtained.

34. In the past, functional expert committees had rarely been in a position to shape the MTP–the main policy setting and planning document–which remained almost exclusively the area of concern and competence of ACABQ, the Fifth Committee of the General Assembly and the CPC. Programme managers suggested that, in order to interest the appropriate experts from capitals in the substantive work of the United Nations, it was necessary to involve them in the planning cycle. They would thereby not only have ownership and thus an interest in the work, but also be in a position to establish priorities regarding the substantive work, from the point of view of feasibility, comparative advantage and from the perspective of relevance to their own countries. Functional committees had their own multiyear work plans which they owned, unlike the MTP, and which they followed.

35. The above brief overview of observations made about the present experiment by the various protagonists reflects a variety of concerns, and **a certain uneasiness with respect to the purpose and methods of the present results-based budgeting and-planning exercise**. All the points made seem legitimate. There is a demonstrable willingness and interest on the part of the United Nations Secretariat to produce results, but the obstacles to be overcome are numerous and sometimes not even clearly identified. Insistence on the concept of observable change indicates **that there is a desire to deal with and identify results at the country level (and by extension at the world level). Yet it is clear that the**

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[15] A/55/6/Rev.1.

United Nations cannot pretend that it is capable of bringing about much change at these levels through the meagre means of action at its disposal.

D. AN EXAMPLE FROM THE 2002-2003 PROGRAMME BUDGET[16]

36. The above issue can best be illustrated by examining a specific example–the Population Division in DESA. This Division's objective is " to increase understanding of the nature of demographic phenomena, in particular the interrelationships between population and development."[17] To accomplish its mission, this Division services intergovernmental and expert bodies, notably the Commission on Population and Development, publishes recurrent and non-recurrent publications and technical materials, including data from numerous statistical databases, and ensures inter-agency coordination regarding population issues. Its staff comprises 26 Professionals and 17 General Service staff. What, then, can be considered the result of its activities over a two-year period?

37. The programme budget for 2002-2003 states that its expected accomplishments are "increased ability of Member States to formulate national population and related policies and programmes", "better understanding and awareness by Member States and civil society, including NGOs, of emerging issues in the field of population and development", "improved and timely access by Governments and civil society, including non-governmental organizations, to the United Nations research findings in the field of population and development, including via the Internet", and "enhanced ability of Member States to achieve the goals and objectives of the Programme of Action of the International Conference on Population and Development ... "

38. The indicators of achievements, which should enable the measurement of these results in the future, are stated to be, inter alia, "the number of Member States adopting or revising policies or programmes as a result of research findings and other activities carried out under the subprogramme", "the frequency of citations in policy documents and statements of research findings of the Population Division and coverage in the press". Ideally, the Population Division could have indicated the number of Member States having adopted and revised policies as a result of activities of the subprogramme at the end of the budget cycle (or the last year for which data was available) and made an estimate of the number of Member States expected to do so, at the end of the biennial budget period. To compare the situation at the beginning and at the end of the period concerned in fact would require a thorough evaluation of the influence of the Population Division, involving a detailed analysis of the situation of the various countries concerned. However, the programme budget (and, as will be seen later, the MTP) provides no room for such description and analysis, as these would entail several pages of description at least, something which is not provided for in the present programme budget and MTP forms. Even this would not be complete, unless account were taken of the contribution made by other actors such as UNFPA or the World Bank and other institutions working towards the same end.

39. In reality, Member States are often not much interested in knowing how many of them benefit from the information distributed by the Population Division (even if this could be estimated). They wish to be informed of the extent of the change in the population growth rate, country by country, or at the global level, and whether such change can be attributed to international cooperation.

40. Member States indicate ambitious objectives in programmes of action of major conferences, and in the Economic and Social Council attempt to monitor progress in the implementation of these programmes of action. Yet it has to be recognized that, in general, **the objectives defined by the programmes of action established by major conferences are not at all precise**. The language used for defining them often remains vague; the dates at which they should be reached are in the distant future and there are no

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[16] The choice of this particular example should in no way be interpreted as involving criticism of the work of the Population Division. On the contrary, the choice was made because the programme is excellent and has proved to be valuable to Member States. The purpose of the example is to draw attention to the limits of the presently adopted results-based budgeting and planning techniques in the Programme Budget and MTP. See also footnote 29.

[17] "Proposed programme budget for the biennium 2002-2003" (A/56/6 (Sect. 9)) of 19 April 2001, Subprogramme 6.

precise financing plans with concomitant pledges. Translation of commitment to the goals of the Conference into commensurate levels of donor funding has not been forthcoming".[18] For example, the Programme of Action of the International Conference on Population and Development, held in 1994 in Cairo, describes the objective set with regard to population trends in the following words: "To facilitate the demographic transition as soon as possible in countries where there is an imbalance between demographic rates and social, economic and environment goals, while fully respecting human rights."[19], and the actions are prescriptions such as "Countries should give greater attention to the importance of population trends for development" [20] to name just a few. This lengthy and exhaustive document concerning all aspects of population policies will not make it easy for evaluators to check future progress and properly attribute results to the one or other of the actors. This is due to the rather vague and prescriptive language which contains many "shoulds" but gives no clear indication on how to reach the stated objectives.

41. In relation to the "Key actions for the further implementation of the Programme of Action of the International Conference on Population and Development", a new set of benchmark indicators[21] was agreed upon which tries to fill this lacuna. For example: "By 2005, 60 per cent of primary health care and family planning facilities should offer the widest achievable range of safe and effective family planning methods ... 80 per cent of facilities should offer such services by 2010, and all should do so by 2015 ... The gap between the proportion of individuals using contraceptives and the proportion expressing a desire to space or limit their families should be reduced by half by 2005, by 75 per cent by 2010, and by 100 per cent by 2015..." However, apart from prescriptions of a rather general nature, there is **no precise indication given of the type of efforts within a division of labour which should be made by the various actors (countries, donors, UNFPA, United Nations Secretariat, other international organizations) in order to achieve these objectives**.

42. The lessons to be drawn from this example would be more or less similar for all other economic and social programmes. There is obviously a **lacuna between the definition of ambitious long-term objectives for the year 2015 or 2020 by the international community, and more precise mid-term targets, and the role of the various actors of the international community contributing to the same objectives**. This is true for all the goals mentioned in the Secretary-General's Road Map, both in the political and the economic and social arena. It is true for the goal "to halve, by the year 2015, the proportion of the world's population whose income is less than one dollar a day and the proportion of people who suffer from hunger and, by the same date, to halve the proportion of people who are unable to reach or to afford safe drinking water"[22] as well as for the goal: "By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers, as proposed in the "Cities without slums" initiative".[23] It is also true for the political goals such as: "Make the United Nations more effective in maintaining peace and security by giving it the resources and tools it needs for conflict prevention, the peaceful resolution of disputes, peacekeeping, and post-conflict peace-building and reconstruction",[24] for which the Road Map does not fix a date for attainment. If these goals constitute the level of ambition for the results to be obtained by the international community, **it is essential to be more precise in specifying the strategies by which such goals are to be attained. This will be as true for the various actors as for the United Nations itself.**

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[18] Report of the Ad Hoc Committee of the Whole of the Twenty-first Special Session of the General Assembly" (A/S-21/5/Add. 1, para. 95), 1 July 1999.

[19] Report of the International Conference on Population and Development (Cairo, 5-13 September 1994)" (A/CONF.171/13, chap. VI, para. 6.3), 18 October 1994.

[20] Ibid., para. 6.4.

[21] UNFPA web site: unfpa.org/icdp/index.htm. See also A/S-21/5/Add. 1 of 1 July 1999.

[22] "Road map towards the implementation of the United Nations Millennium Declaration" (A/56/326, para. 83), 6 September 2001.

[23] Ibid., para. 117.

[24] Ibid., paras. 32 and 33.

E. REASONS FOR THE MALAISE: THE LACK OF MEANINGFUL ACHIEVEMENT INDICATORS IN THE PROGRAMME BUDGET AND IN THE MEDIUM-TERM PLAN

43. Following the above exploration of the problems faced in the use of result-based budgeting and planning in the United Nations, it is now possible to identify more clearly the reasons for the malaise felt by delegates, experts and programme managers when considering the present results-based budgeting exercise. The principal reason lies in the **ambiguity of the results concept**. The goals which are mentioned in the Secretary-General's Road Map either lack a target date, or are given one in the distant future, namely 2015 or 2020, and are the type of goals which are to be obtained at the country or at the global level. **In contrast, the results mentioned in the United Nations MTP and in the programme budget, mainly concern the United Nations contribution**. By definition, therefore, the results to be aimed at have to be far more modest. Nobody could pretend that United Nations action alone could bring about easily attributable and significant change at the country level. In these circumstances, expected accomplishments and performance indicators are very difficult to identify, and it is not surprising that some confusion exists in this regard. In general, the formulas used for specifying *expected accomplishments* include expressions like "enhancement of", "improvement in", "strengthened capacity of", "increased participation ... or collaboration", "progress in", "progression in the dialogue on", "improved level of", "larger volume of", "strengthened knowledge and understanding of" and "increased level of preparedness for".

44. The formulas for *indicators of achievement* are expressions like "number of countries adopting", "access to", "number of cities receiving", "wider participation of", "satisfaction expressed by users", "increase in the number of countries" and "number of collaborative arrangements".

45. Programme managers' intentions to improve, enhance, strengthen, increase and encourage progress in their respective fields of concern are not in doubt. However, it is very often impossible to distinguish between these two concepts, expected accomplishments and indicators of achievements, since in the examples given the same expressions are sometimes used. **These formulas furnish the reader with no indication regarding the standard of measure to be used for gauging the expected change and thus no clear understanding of what the intended result of the programme is**.

46. Hope has been expressed on different occasions that more meaningful performance indicators might be found. For example, in the Introduction to the "Proposed programme budget for the biennium 2002-2003",[25] the Office of the Controller acknowledges clearly that the next step (whether in the MTP or in the programme budget) should enable precise indications to be given on the expected change. In paragraph 36 it is stated that: "A large number of expected accomplishments and indicators of achievements ... involve change statements: improvements, increased capacity, increased awareness and so on. These formulations presuppose a baseline or reference point against which such increases or improvements are to be detected ... Once the measurement of performance on the basis of indicators of achievement has been completed for the biennium 2002-2003, further analysis will be required to determine appropriate baseline data. This would feed into the planning and programme budgeting stage by allowing the descriptions of expected accomplishments and indicators of achievement to be refined on the basis of experience."[26] In paragraph 28 of the same document, the Secretary-General indicated that: "the formulation of indicators at the budget-preparation stage also requires programme managers to systematically establish **baseline data against which change can be measured**, to develop data-collection techniques, to interpret the data collected, to report on findings and to integrate lessons learned in future programme planning, budgeting and implementation." And, in paragraph 11, it is said that: "A distinction between what can be achieved in two or four years should ... become easier as the Organization gathers more information on its performance over the next few years."

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[25] A/56/6 (INTRODUCTION) of 25 April 2001.

[26] Ibid., annex, sect. A, Results-based budgeting: explanatory notes, para. 36.

47. These recommendations have obviously not yet been implemented. On the basis of the above analysis however, the Inspector doubts whether future efforts will ultimately yield the desired results. This is largely because **the two year budgeting period does not seem to be a reasonable time-frame within which to achieve results**, especially if results are to be understood in the more ambitious manner defined in this report and if Member States also wish the biennial programme budget to contribute to the attainment of the Millennium Declaration Goals.

48. **Consequently the results approach being developed mainly at the budget level in the United Nations in relation to the results obtained by United Nations programme activities proper, should rather be concentrated on the medium term.** Moreover, this needs to be done through coordination of the strategies of all the actors working for the attainment of the Millennium Declaration Goals. Despite the efforts promised as indicated above, it will remain very difficult to measure change in the programme budget context, if the only measure stated is satisfaction of the users of the outputs, such as reports, publications, advisory services, seminars and meetings, important as these may be. The level of difficulty obviously varies with the nature of the programmes. **The following examples further reinforce doubts about the usefulness of emphasizing the use of the results approach primarily at the level of the programme budget.**

49. In the case of political activities, the difficulties of trying to conform to the intentions expressed in the Introduction to the programme budget can be seen to be particularly severe. For example, subprogramme 1 of programme 1 of the MTP (Political affairs) concerns prevention, control and resolution of conflicts. But, how can the situation at the beginning of the programme budget period be described in a summary way and how can the results be forecasted at the end of the biennium, if there is no commonly adopted strategy for reducing the number of conflicts. This lack of a clear strategy is largely due to the fact that the Security Council and the members of the so-called international community decide to respond to new situations only if political conditions permit or compel them to decide to intervene. There is not as yet a clear and proven prevention policy which could be described with any precision. Progress is undoubtedly possible in these matters, but the present state of the art does not yet permit a serious programme of action to be established.[27]

50. These remarks are also valid in relation to the presentation of this subprogramme in the 2002-2005 MTP,[28] where similar difficulties in adapting the results approach in a narrow sense to political affairs are again evident, as can be seen from the following.

51. The *objective* is: "to assist in the prevention, control and resolution of conflicts through peaceful means as well as to promote a more cohesive and integrated response by the United Nations system in addressing post-conflict peace-building challenges facing countries emerging from crisis".

52. The *strategy* will consist of, inter alia, "identifying options and formulating recommendations on the role that the United Nations may be called upon to play in the prevention, control and resolution of conflicts as well as in the area of post-conflict peace-building activities".

53. An *expected accomplishment* would be "improved capability of the international community in the prevention, control and resolution of conflicts through preventive diplomacy, peacemaking and post-conflict peace-building activities".

54. *Indicators of achievement* "would include identification of the potential, new and ongoing conflicts addressed and/or settled through peaceful means and an increase in the level and effectiveness of post-conflict peace-building activities".

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[27] It is important to refer to the comprehensive "Report of the Secretary-General: prevention of armed conflict" (A/55/985-S/2001/574 and A/55/985/Corr.1-S/2001/574/Corr. 1 of 7 June 2001 and 5 July 2001 respectively).

[28] "Medium-term plan for the period 2002-2005 (A/55/6/Rev. 1, para. 1.5 Objective, para. 1.6 Strategy, para. 1.7 Expected accomplishments, para. 1.8 Indicators of achievement).

55. It is clear that these formulations contain no information of any practical use for the purposes of results-based budgeting and planning. This raises doubts as to whether it is really necessary to present a programme in this manner, and whether the results-based budgeting and planning system is at all appropriate for this type of activity and whether, indeed, such political activities are programmable.

F. AN EXAMPLE FROM THE MEDIUM TERM PLAN 2002-2005[29]

56. With regard to economic and social activities, the presentation in the 2002-2003 programme budget[30] of subprogramme 6 (Population) of programme 7 (Economic and social affairs) has already been commented on above. Nevertheless, it is worthwhile to see how this subprogramme is presented in the 2002-2005 MTP.[31]

57. The *objective* is "to increase the understanding of the nature of demographic phenomena, in particular the interrelationships between population and development".

58. The *strategy* is "(a) Provision of substantive support to the Commission on Population and Development, (b) Provision of assistance in the ongoing review, monitoring and assessment of the Programme of Action of the International Conference on Population and Development in achieving the key actions for the further implementation of the Programme of Action ... (c) Preparation of official United Nations population estimates and projections, including age and sex patterns in mortality and fertility data, for all countries and areas of the world ... (d) and effective dissemination of worldwide population information, via the Internet ..."

59. *Expected accomplishments* would include: "The provision of greater support to the Programme of Action ... Expanded capacity of Member States to analyse and apply population trends and policies ... Enhanced ability of Member States to formulate national population and related policies, to improve their national institutional capabilities for the collection and analysis of national population information ..."

60. *Indicators of achievement* would include: "An increase in the number of Governments accessing information on population trends and their interrelationships with social and economic development as an input to policy formulation ..." and "A noticeable increase in the understanding of the complex interaction between demographic and development issues and extensive awareness about emerging population issues requiring the attention and response of the international community .... The timeliness, quality and accessibility of official United Nations population estimates and projections as assessed by the users".

61. **This manner of presentation is obviously valid eternally**. It is used for the 2002-2005 MTP, but exactly the same wording can be used for the next MTP, just as it was possible to use it for all previous MTPs. It is more or less a description of the permanent activities of the Population Division. However, it furnishes no information whatsoever on what type of change is to be expected in the present situation. **If an MTP is to have any meaning, the document should provide information regarding current problems or defects which have remained at the end of the previous plan (that is, at the end of 2001), and hence still need to be remedied. Information would also be required on the strategy which the United Nations intends to use to remedy or alleviate the problems to the extent possible, and also on the concrete progress which is intended to be achieved by the end of the plan period, that is, by 2005**. (The same or very similar remarks could be made about a great number of programmes

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[29] As previously stated in footnote 16, the choice of the example should in no way be interpreted as implying criticism of the work of the Population Division. On the contrary, the choice was made because the programme is excellent and has proved to be valuable to Member States. The purpose of the example is to draw attention to the limits of the results-based budgeting and planning techniques presently adopted in the programme budget and MTP.

[30] "Proposed programme budget for the biennium 2002-2003", section 9: Economic and social affairs (A/56/6 (Sect. 9) of 19 April 2001).

[31] "Medium-term plan for the period 2002-2005 (A/55/6/Rev. 1, programme 7: economic and social affairs, subprogramme 6: population, para. 7.28 Objective, para. 7.29 Strategy, para. 7.30 Expected accomplishments, para. 7.31: Indicators of achievement).

and subprogrammes in the economic and social area.) But to this end, it is crucial to define more precisely what type of results can be expected from the activities to be undertaken under the present programme.

62. If the United Nations' contribution to the resolution of Member States' population problems continues to be the same because it has been found useful, it should be enough to say so and to limit the description in the programme budget and even the MTP to a list of programme outputs, with perhaps some additional information on non-recurrent publications.

63. If, however, **a discussion of the MTP was an occasion to assess the validity of the past strategy followed in this subprogramme and to propose, if necessary, changes in strategy, then the new strategy should be described in detail with great care**. However, such a mid-term assessment of the strategic approaches adopted by the United Nations has never been undertaken for any programme in past MTPs and the presently applied results approach does not seem to provide for such an occasion either. In the view of the Inspector **such a review is greatly needed**.

64. All this raises a number of relevant questions. First, is it really possible to propose a new strategy for the type of contribution which the United Nations could make (in the population domain as well as in other economic and social domains), without describing at length the activities of all the other contributors to the objectives approved by the international community, like, for example, those referred to in the Road Map? Secondly, would it be possible to do so within the framework of the present format of the MTP document? Thirdly, is it possible, moreover, to define the United Nations contribution and its results without relating the results to those expected at the country and the world level?

65. **In the case of administrative activities**, the difficulties are of a slightly different type. These activities constitute permanent functions, and change little with time, except perhaps for the techniques employed. In matters of personnel, finance or management the same recurrent problems have to be resolved. When methods of work can be improved, precise descriptions are necessary in order to explain how the improvement has come, or will come, about. In the MTP, and in the programme budget, figures are never given regarding routine activities, and no indication is provided on their qualitative aspect. In these circumstances, expected accomplishments or performance indicators have no serious meaning. The example given for programme 24: Management and central support services, subprogramme 1: Management services, may prove the point. In its *expected accomplishments*:[32] "Accomplishments would include management improvements that would reduce the burden of administration and ensure that programme managers effectively implement the mandated programmes while retaining full accountability." Another example–Programme 23: Public information[33]–Sub-programme 4: Publication services, is presented in a way which will obviously be valid for as long as this programme continues. It is written for eternity. Reference to the *expected accomplishments* and *indicators of achievement* illustrates this affirmation. For example, "An expected accomplishment would be a greater interest in United Nations publications". "Indicators of achievement would include an increase in the number of subscriptions to United Nations publications and in the number of publications sold and an increase in the number of visitors to the web sites of United Nations publications." In the case of subprogramme 3: Library services, "Expected accomplishments of the subprogramme would include faster and greater access by users to products and services of the Library", and "Indicators of achievement would include", inter alia, "an increase in the number of requests and enquiries for the products and services of the Library ...". No indication is furnished regarding present or expected numbers.

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[32] "Medium-term plan for the period 2002-2005" (A/55/6/Rev.1), programme 24, subprogramme 1, para. 24.7: Expected accomplishments.

[33] Ibid., programme 23: Public information, subprogramme 3, Library services, para. 23.29: Expected accomplishments; para. 23.30: Indicators of achievement; subprogramme 4, Publication services, para. 23.35: Expected accomplishments; para. 23.36: Indicators of achievement.

G. THE NEED TO KEEP THE WHOLE EXERCISE OF RESULTS-BASED BUDGETING AND PLANNING UNDER REVIEW: CONCLUSIONS REGARDING THE PRESENT EXPERIMENT

66. Exploration of the situation created by the present experimentation with results-based budgeting and planning gives rise to a number of observations. First, **there is no doubt that orienting the methods of planning and programming towards the identification of results is both rational and necessary**. Documents need to be available to Member States and the public at large that provide a better understanding of the work of the United Nations and that permit judgements to be made regarding its efficiency and efficacy. **Transparency is indispensable** in this regard. **Clearly, therefore, the results approach in the United Nations has to be pursued. But the methodology adopted for the present experiment should be refined and adapted**. After all, the results-approach requires periodic efforts to assess the situation and the strategies followed, to evaluate their effectiveness and to revise them according to the lessons learned.

67. A distinction has to be made between the programme budget and the MTP. Results need time to be obtained. A period of two years is in the majority of cases too short to obtain meaningful results. **This means that the results approach should mainly concern the medium term**, that is, efforts should be made to improve of the MTP, or whatever medium-term documents could permit an assessment of the present strategies and a definition of those to be applied in the future. It also means that the programme budget document should be limited to an explanation of the steps to be taken during a period of two years, in the direction of the targets set.

68. Consequently the results approach in the programme budget documents has to be refined further and adapted to the needs of the Organization and the nature of the programmes.

69. A clarification of the concept of accomplishment in the programme budget context is needed. Is the accomplishment to be understood as action of the United Nations Secretariat only or does it comprise Member States' action?

70. The very stringent format requirements should be relaxed to allow programme managers to describe their programme contents accurately. This would, in turn, allow Member States to pass judgement on their relevance and efficiency in relation to the mandates given, especially those in the recent Millennium Declaration.

71. On the basis of accurately described programme contents, Member States should be in a position to assess programmatic relevance and be provided with means of judging whether positive change can be observed. This, together with the expenditure information, will provide Member States with a means to measure the efficiency and efficacy of programme delivery.[34]

72. If a results approach is to work, then more flexibility has ultimately to be granted to programme managers in return for accountability. This would involve Member States showing greater confidence in the professional capacity and managerial skills of programme managers, and subsequently their withdrawing from overseeing and managing matters of detail. Programme managers should be asked by Member States to advise them in cases where it would be advisable to terminate programme activities on grounds of their being marginal or obsolete. This might avert current accusations that programme managers meddle in affairs which are currently held as being the sole prerogative of Member States. Programme managers should be able to decide on the optimal mix of outputs within their area of competence in order to reach the stated expected accomplishments, and have the flexibility to decide on the use of their staff and on the distribution of tasks among them. Indeed, the present rather rigid job classification system might need to be reviewed in this context, so as to achieve greater flexibility. Recruitment and replacement procedures will have to be speeded up.

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[34] The new and improved format of the programme performance report ought to be a valuable instrument in this regard.

73. Human resources are pivotal: results depend largely on highly competent staff whose skill profiles correspond to mandated tasks. Training facilities to upgrade skills and to acquire new ones are indispensable, the creation and increasing use of the Turin Centre being an important step in this direction. The Secretary-General in his 1997 reform package had indicated that the "Secretariat of the future will be somewhat smaller, better trained, more versatile, more mobile, better managed and better integrated as a global team".[35] This will have to be constantly monitored. Incentives will have to be introduced to encourage the much needed intersectoral and interdisciplinary work, and be constantly monitored and reviewed.[36] Results will ultimately depend on the quality of staff. For the full potential of staff to be developed, it is necessary to develop and foster a climate of confidence not only within the Secretariat, but, if not more importantly, on the part of Member States where there is need of a corresponding climate of confidence in staff.

74. In other words an enabling environment has to be created to encourage the staff, especially programme managers, to be results-oriented and to make the results approach work. Experiences of the United Nations system will have to be assessed with a view to learning from best practices and to continuously adapt the results approach to the needs of the Organization and Member States.

75. Part of the enabling environment is the provision of adequate technology and information systems, which ought to be under continued review and for which adequate training must be provided.

76. Programme managers will have to be much more closely involved in the formulation of meaningful expected accomplishments and achievement indicators, adapted to the nature of the specific programmes in question. The role of the Office of Internal Oversight Services (OIOS) is crucial in assisting substantive departments in this regard, as it will be within the main responsibilities of OIOS to evaluate programmes and their relevance internally. In cases where accomplishment statements make little sense because of the nature of the programme in question and the time factor (two years of observation is too short), it should be possible to dispense with them without reducing the value of the programme budget document. This would alleviate the present administrative burden on the Secretariat and free it from procedural work, enabling it to concentrate more on the substantive issues at stake.

77. Regarding administrative activities, an improvement in the present situation would be achieved if numbers were indicated concerning standard routine activities, like, for example, the number of recruitments, retirements and numbers of publications sold, accompanied, wherever possible, by information on the various qualitative improvements.

H. FOR THE MEDIUM TERM

78. For reasons alluded to above and developed further below, the **Inspector believes that it is the medium term that is most relevant, a stage where the results approach would even gain in importance last but not least owing to the time factor**. In the Inspector's view, the existing instruments, whether on the budget or planning level, should constitute tools to help Member States monitor and assess progress and to review strategies for reaching the Millennium Declaration Goals which are set for the rather distant future. **Thus it is important to establish instruments and processes that allow for an assessment of results in the medium term**. This report therefore proposes the creation of new instruments, more in tune with the felt need to achieve closer substantive cooperation between the United Nations and the BWI, with a view to assessing the relevance of the international community's various strategies for countries' implementation of the Millennium Declaration Goals.

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[35] "Renewing the United Nations: a programme for reform" (A/51/950, para. 229), 14 July 1997.

[36] Ibid., para. 233: "Encouraging enhanced performance, through rewards and recognition, measures for dealing with substandard performance and accountability for results" are actions to be aimed at in the report, see action 18

79. **As for the MTP in its present form, described above,**[37] Member States have essentially **two options open to them:**

- **Option 1** would be to ascertain whether the two new instruments recommended for creation, and described in part two, would satisfy their requirements for medium-term strategic orientation. If that were the case, **Member States could decide not to establish a successor plan** to the existing 2002-2005 MTP;
- **Option 2** would be to arrange for the **next MTP** to have the **two new instruments** recommended and elaborated upon in part two, **taken into account**, and for their policy conclusions for United Nations programmes and activities to be transferred to the next MTP. Emphasis should be given to integrating the Millennium Declaration Goals and the Road Map suggestions fully into the existing and future MTP of the Organization for Member States to assess the relevance of the United Nations strategy in assisting them to reach Millennium Declaration Goals.

PART TWO: A MEANINGFUL AND REALISTIC RESULTS APPROACH IN THE MEDIUM TERM: A NEW CLIMATE OF COOPERATION

80. A results approach in the United Nations and in the United Nations system cannot be dissociated from the international community's concerns to achieve results at the country and world level, as expressed in major United Nations conferences and in the Millennium Declaration, which was adopted by the international community, the United Nations system and the BWI.

81. A new situation is emerging in the international community, deriving from the following developments:

- The concept of results refers to results at the country and at the world level,
- The United Nations (more specifically the Economic and Social Council) is convinced that it must play a more active role in order to give practical content to Article 1 of the Charter, namely "to achieve international co-operation in solving international problems ...";[38]
- Cooperation is improving among the various actors and the United Nations is playing an important role in this regard;[39]
- Progress has been made in establishing a single set of development goals that align international development goals as set in major United Nations conferences and the Millennium Declaration, as well as a common set of targets and indicators;

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[37] Letter of the Secretary-General to the staff on the need for continuing reform, dated 25 March 2002, p. 2. "Second, a management and administrative review. This review will encompass human resources reform, conference services, administrative duplication, the Secretariat post structure, coordination mechanisms, and *the planning and budget cycle. The latter is too complex, drawn and inefficient ...*"

[38] "An immediate priority is to enhance the essential policy management and coordinating roles of the Economic and Social Council and to equip it to fulfil better its role in the macroeconomic policy coordination dialogue", "Report of the Secretary-General on renewing the United Nations" (A/51/950, para. 130 of 14 July 1997) and "The contribution of the United Nations is particularly important at a time of shifting paradigms in socio-economic development philosophy and thinking. As a global centre for innovative thinking and consensus-building, the United Nations should make maximum use of its analytical capacities to identify common problems and recommend solutions." (para. 129).

[39] Paragraph 294 of the Secretary-General's Road Map (A/56/326) explicitly states: "A new culture of cooperation and coordination is fast gaining ground among the organizations of the system, and new mechanisms are being set up to advance and concretize this endeavour" and paragraph 5: "A coordinated strategy will not be achieved without better coordination among international institutions and agencies, including those within the United Nations system." Paragraph 295 refers to the Administrative Committee on Coordination (ACC), now called CEB: "ACC ... has demonstrated a strong commitment to achieving a greater degree of policy and strategy harmonization, enhanced information-sharing and common evaluation and monitoring processes."

- The international community has committed itself to working together towards the implementation of these goals;
- All institutions have adopted results-oriented working methods.

82. In the opinion of the Inspector, therefore, the concept of results used at the medium-term level should be harmonized with that used by the programmes of action of the major conferences and by the Millennium Declaration, and hence by the Secretary-General's Road Map for the long term. **This requires reconsideration of the medium-term instrument, that is the MTP, involving a change in its format and conception, or even its replacement by a new set of documents and a new decision-making mechanism adapted to its needs**.

83. Other features of this novel situation that has created an opportunity to work together to arrive at a much needed coordinated and coherent, if not common, strategy to reach the Millennium Declaration Goals, are the following.

A. REFORMS IN THE UNITED NATIONS

84. In 1997 the Secretary-General, Kofi Annan, proposed his programme for reform[40] in which he put forward a number of important reform proposals which have been approved by the General Assembly.[41] These reforms seek "nothing less than to transform the leadership and management structure of the Organization, enabling it to act with greater unity of purpose, coherence of efforts, and agility in responding to the many challenges it faces."[42] These reforms attempt to give a new and more realistic answer to problems which have confronted the United Nations system from the beginning. "To facilitate greater focus on and collaboration between the core missions of the United Nations, Executive Committees were established in the areas of peace and security, economic and social affairs, development cooperation and humanitarian affairs. Advancement of human rights, the fifth core mission, is integral to all United Nations activities and is addressed by all four Executive Committees."[43]

85. The proposals comprise attempts to improve coordination of the economic and social activities of the United Nations system, and also to enhance cooperation with the BWI.[44] They are intended "to enhance the essential policy management and coordinating roles of the Economic and Social Council and to equip it to fulfil better its role in the macroeconomic policy coordination dialogue" (A/51/950). They aim at strengthening the capacity of the Administrative Committee on Co-ordination (ACC)[45] to adapt the United Nations system as a whole to the new challenges it faces. They also include a review of "the existing arrangements governing the planning, programming and budgeting process in order to enhance their role in providing strategic direction, establishing better performance yardsticks and reporting and focusing more on accountability for performance than on input accounting–a shift to results-based budgeting".[46]

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[40] "Renewing the United Nations: a programme for reform" (A/51/950 of 14 July 1997).

[41] General Assembly resolution 52/12 A and 12 B of November and December 1997.

[42] Letter of Transmittal of the Secretary-General (A/51/950 of 14 July 1997).

[43] Information on United Nations reform provided on the web site of the United Nations Development Group Office (www.dgo.org/documents/36-United_Nations_Reform_Overview.html).

[44] Besides the meetings of the entities of the United Nations system with the BWI within the framework of CEB, the BWI have, since 1998, met with the United Nations in response to General Assembly resolution 50/227 on revitalizing the United Nations in the economic and social fields, in so-called "special high level" meetings. The last one was held on 1 May 2001. The report is contained in E/2001/72 of 21 May 2001.

[45] This is now called CEB and comprises 26 member organizations, including United Nations funds and programmes, as well as specialized agencies, WTO and the BWI.

[46] A/51/950, para. 241, of 14 July 1997, and A/51/950/Add. 6 of 12 November 1997 on results-based budgeting.

86. In order to enhance the **effectiveness and impact of United Nations development operations**, the United Nations Development Group (UNDG) was created.[47] UNDG sets policy priorities with a view to enhancing programme harmonization and collaboration among its members and works with the Executive Committees to develop operational linkages across sectoral boundaries.

87. In response to the General Assembly's repeated appeals for greater coherence in development operations of the United Nations system, instruments such as the aforementioned UNDAF, have been introduced and the Common Country Assessment (CCA), launched by the former Joint Consultative Group on Policy, was established.[48] According to ACC guidelines, UNDAF aims to improve the focus of systems operations, their result orientations and their unity of purpose, serves as a common frame of reference for strategy and country programme documents, stimulates collaborative programming and enhances team spirit. UNDAFs have been finalized in 38 countries.[49] The introduction of the CCA as a necessary precursor of UNDAF has, over the last two years, progressed; CCAs have been completed in 84 countries.[50] The CCA is intended to provide a background reference for Government, system organizations and other stakeholders. As such it has the potential to be a powerful tool for policy dialogue, and for enhancing country-level monitoring of progress in attaining international goals and contributing to information-sharing. It should open the way for capacity-building, for example, "to develop competencies in statistical areas, identifying data gaps and constraints that require support for national statistical systems".[51]

B. PARALLEL REFORM EFFORTS IN THE BRETTON WOODS INSTITUTIONS

88. These United Nations reforms have been accompanied by the subsequent adoption by the BWI of new approaches to these problems of coherence and coordination and the establishment of a strategic framework for poverty eradication which has become a priority for the international community. The World Bank adopted the CDF,[52] and the IMF and the World Bank have together adopted an approach based on Poverty Reduction Strategy Papers (PRSPs).[53]

89. The World Bank and the IMF have put poverty eradication high on their agenda, as indeed has the whole international community, which is demonstrated in the Millennium Declaration. And, at least in principle, the policies for eradication of poverty which are described in the PRSPs are those defined by the countries themselves; the concept of *ownership* solves to a certain degree the problem of unification of the strategies of the various actors, developing countries, donor countries–through OECD-

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[47] "The objectives of the Group are to facilitate joint policy formation and decision-making, encourage programmatic co-operation and realize management efficiencies". (A/51/950, para. 73). Members of UNDG are UNDP, UNICEF, UNFPA and WFP, with the participation of others in respect of matters relevant to their interests and mandates, as well as DESA.

[48] Other instruments such as the strategic framework and the Consolidated Appeal Process (CAP) are used in special situations (see E/2001/66 of 17 May 2001 and footnote 51).

[49] A/56/326, para. 296 of 6 September 2001.

[50] Ibid.

[51] "Triennial comprehensive policy review of operational activities of the United Nations system for development (E/2001/66, para. 48, of 17 May 2001).

[52] This was first suggested by the President of the World Bank Group, Mr. James D. Wolfensohn, in a speech ("The other crisis ") delivered at the October 1998 World Bank/IMF annual meetings and subsequently formalized in a letter of 21 January 1999, entitled "A proposal for a comprehensive development framework: a discussion draft". "The World Bank has been continuously rethinking its overall development approach in light of the slow and uneven progress in poverty reduction and the social tensions that have been associated with it", *Ahead of the Curve. United Nations ideas and global challenges*, Louis Emmerij, Richard Jolly and Thomas G. Weiss, (Indiana University Press 2001, United Nations Intellectual History Project), p.144.

[53] A policy instrument launched in September 1999 by the Executive Boards of the IMF and the World Bank at the joint meeting of the Development and Interim Committees, initially intended as a basis for external debt forgiveness under the Heavily Indebted Poor Countries' Debt Reduction Initiative (HIPC) which started in 1996 as a precondition for eligibility for financing under the IMF Poverty Reduction and Growth Facility (PRGF) and International Development Association's (IDA) concessional lending.

Development Assistance Committee (DAC)–the BWI and the United Nations system, and even the private sector.[54]

90. The new policies adopted by the World Bank since 1998, and in the IMF since September 1999, are thus working in the same direction. In September 1999, a clear mandate was given to the IMF in its annual meeting to integrate the objectives of poverty reduction and growth more fully into its operations in the poorest member countries. The preparation of PRSPs was decided. These PRSPs were policy instruments initially intended as a basis for external debt forgiveness under the HIPC (which had started in 1996) and as a precondition for eligibility for financing under the IMF Poverty Reduction and Growth Facility (PRGF) and IDA concessional lending. Where adopted, the PRSP replaces the World Bank's Policy Framework Paper and the IMF Enhanced Structural Adjustment Facility (ESAF) process.

91. All these new undertakings are important. They respond to the growing recognition by Member States and others participating in the United Nations system that, after 50 years of international cooperation, the time has come to demonstrate clearly that the United Nations and the United Nations system do make a decisive difference to Member States' development efforts. But they are also a response to the widely recognized view that it is essential to strive for greater coherence and co-ordination of efforts by the United Nations system, to generate synergies and keep transaction costs to a minimum. These undertakings reflect the fact that the United Nations and its system are at the service of Member States and are there to assist them to reach commonly adopted goals[55] and that the system will be judged in relation to that overriding mandate. They also stem from the realization that falling support for the United Nations (as expressed in decreasing development assistance, among other things, and the often reduced level of contributions to programmes and funds and to some specialized agencies of the United Nations system), is unlikely to be reversed if it cannot be demonstrated that past efforts have yielded tangible positive results and that the system is able to learn from experience so as to improve performance in the future.

92. The reforms are now being implemented. Review conferences of the global conferences are to be held at five-year intervals with a view to determining whether progress has been achieved. Among other things, the Economic and Social Council has been assigned the task of overseeing the integrated follow-up of these conferences and, through its subsidiary body, CPC, conducts an annual evaluation of the programme activities of the United Nations. The Economic and Social Council itself evaluates the operational activities of the United Nations at three-year intervals. CEB (replacing ACC) has adopted new working structures, and is applying the results-based management approach to further coordination of the United Nations system's programmes, funds and agencies. This indicates a strengthened commitment to use the results approach in an active manner.

C. THE MILLENNIUM DECLARATION AND THE SECRETARY-GENERAL'S ROAD MAP: A CLEAR COMMITMENT ON THE PART OF THE INTERNATIONAL COMMUNITY

93. In the Millennium Declaration (2000)[56] Member States expressed a willingness to work together in a coherent and coordinated fashion. Nevertheless, as the Secretary-General himself emphasized, "a declaration by itself is of little value. But a declaration containing firm pledges and precise targets, solemnly accepted by the leaders of all nations, can be of great value to the world's peoples, as a

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[54] The World Bank indicates that "experience shows that country ownership is dependent on country capacity" "Comprehensive development framework: meeting the promise. Early experience and emerging issues" (17 September 2001) prepared by the CDF secretariat of the World Bank, para. 12. President Wolfensohn defined his framework as "a holistic and integrated approach to development strategies and programmes that highlights the interdependence of all aspects of development strategy: social, human, institutional, environmental, economic and financial", quoted in the book *Ahead of the Curve*., see footnote 52 above.

[55] This is also expressed in the draft resolution on the triennial policy review of operational activities for development of the United Nations (A/C.2/56/L.72 of 12 December 2001, preamble, para. 12) "stressing the responsibility of the international community, in partnership, to assist developing countries in their national development efforts".

[56] See General Assembly resolution A/RES/55/2 of 18 September 2000.

yardstick by which to judge their rulers' performance". He added that "the whole world will be watching to see how it is carried out".[57]

94. The Secretary-General's report entitled "Road Map towards the implementation of the United Nations Millennium Declaration"[58] lists the main goals of the international community as set out in the Millennium Declaration[59] in the fields of peace and development, and shows the importance attached to this undertaking by Member States and the Secretariat. Efforts made so far have made it possible to begin to identify the problems which remain to be solved. Importantly, the report states that "the international community has just emerged from an era of commitment. It must now enter an era of implementation, in which it mobilizes the will and resources needed to fulfil the promises made".[60] The report underlines the "vital importance of a comprehensive approach and a coordinated strategy"[61] and of "better coordination among international institutions and agencies, including those within the United Nations system ... including notably the private sector, philanthropic foundations, non-governmental organizations, academic and cultural institutions, and other members of civil society".[62] Finally, it recognizes that "none of the millennium development goals can be reached unless significant additional resources are made available" and that these resources "will have to be found within the countries where they are spent, but a special obligation falls on the more fortunate countries to ensure that the less fortunate have a genuine opportunity to improve their lot".[63] ICFD, which took place in Monterrey, Mexico, in March 2002, has tried to respond to these problems in the "Monterrey Consensus".

95. In his Road Map, the Secretary-General indicated that he would submit a special "annual report ... which will chart progress, made or not made, in fulfilling the Millennium commitments", and that every five years, he and his successors "will submit a comprehensive progress report".[64]

D. ASSESSMENT OF THE PRESENT SITUATION: WHAT REMAINS TO BE DONE IN ORDER TO IMPLEMENT THE MILLENNIUM DECLARATION: NEW MEDIUM TERM INSTRUMENTS AND PROCESSES HAVE TO BE CREATED TO REPLACE THE MEDIUM TERM PLAN

> ***As a global centre for innovative thinking and consensus-building, the United Nations should make maximum use of its analytical capacities to identify common problems and recommend solutions.***[65]

96. In the Road Map one of the goals[66] is: "To ensure greater policy coherence and better cooperation between the United Nations, its agencies, the Bretton Woods institutions and the World Trade Organization, as well as other multilateral bodies."

97. The above description of present efforts by the United Nations system and the BWI to change the way they work in some important respects suggests that important progress is being made in the right direction. The novelty of this situation, and of the opportunities it presents, should not be underestimated. It comprises not only the approval of precise commitments for 2015, but, for the first time in decades, the adoption by the United Nations, by the BWI and by the developing and the developed countries at large,

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[57] Kofi A. Annan, "Now Let's Set a New Course for the World, No Less", *International Herald Tribune*, 5 September 2000.

[58] A/56/326 of 6 September 2001.

[59] General Assembly resolution A/RES/55/2 of 18 September 2000.

[60] A/56/326, introduction, para. 11.

[61] Ibid., para. 3.

[62] Ibid., para. 5.

[63] Ibid., para. 9.

[64] Ibid., para. 305.

[65] "Report of the Secretary-General" (A/51/950, para. 129 of 14 July 1997). "The contribution of the United Nations is particularly important at a time of shifting paradigms in socio-economic development philosophy and thinking".

[66] A/56/326, para. 291.

of a common approach, together with precise undertakings for defining and applying efficient methodologies, and finally by broad agreement on the fact that, if progress remains to be made on financing, coordination and strategies, the necessary steps will be taken to find a solution.

98. Thus it is no exaggeration to say that, for the first time in history, a real opportunity exists to undertake a realistic programme for the eradication of poverty, for the development of poor countries, and finally, for the prevention of conflicts. But the work that remains to be done in order to implement the Millennium Declaration in time should not be underestimated.

99. The international community thus faces a new situation. It is being recognized that: "Strategies for moving forward" include: "Improving policy coherence and cooperation across the entire international system in order to deal with today's global challenges, ... Ensuring that country-level strategies harmonize priorities and work within a common framework for action."[67] But we are not yet there. It has to be kept in mind that the various member organizations of CEB, the United Nations system, the BWI as well as WTO each have their own strategic approach vis-à-vis partner countries, adopted by their respective governing bodies. Despite the considerable efforts mentioned above to reduce the burden put on developing country partners, they still face, at present, a plethora of procedures and instruments to which different conditionalities are attached, each instrument complying to a varying degree with the now widely adopted principles of partnership, ownership and transparency. **Thus, all too often, developing countries are faced, and have to contend, with a multitude of conditionalities, assessments and policy prescriptions presented by international organizations or bilateral partners**. In the context of the fight against poverty to which all actors in the international community have subscribed as well as in relation to external assistance, it is therefore not surprising that the African "Heads of State and Government called for a new partnership with donors based on improved aid coordination, harmonized donor procedures, and firm, longer-term commitments. To this end, they called for the elimination of the multiplicity of donor conditionalities, as well as cross-conditionality, and urged that external assistance be based on the Poverty Reduction Strategy Papers to support efficient public expenditure programmes geared to achieving poverty reduction within a sustainable medium-term fiscal framework".[68]

100. Considerable efforts will therefore have to be made to arrive ultimately at a coordinated coherent, if not common, strategic framework which would help partner countries to implement the Millennium Declaration Goals. Mechanisms will have to be created to review from time to time the strategies pursued by the various actors of the international community in order to assess whether they do indeed assist partner countries in their developmental and other efforts.

E. ABSENCE OF A COHERENT COMMON STRATEGIC FRAMEWORK AND COORDINATION OF ACTORS: INTEGRATING SOCIAL CONCERNS INTO THE MACRO-ECONOMIC POLICY FRAMEWORK–A ROLE FOR THE UNITED NATIONS

101. A September 2001 World Bank paper entitled "Comprehensive development framework: Meeting the promise? Early experience and emerging issues",[69] highlighted some areas where progress is uneven and even elusive. It notes that "in most of the 46 countries [that are dealt with in the paper] much work remains for donors' assistance strategies to be well aligned to the country's strategy" and that the World Bank needs to strengthen its work with bilaterals, multilaterals§ and the UN system to make progress not only on harmonization of operational practices, but beyond that, seek harmonization and convergence of approaches at the level of country strategies, and the integration between global and country concerns". The paper also states that "Countries have made significant gains in elaborating sector strategies, particularly in social areas. But internally consistent linkages to the macroeconomic policy framework

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[67] Ibid., para. 298.

[68] "Libreville Declaration on the Economic and Social Agenda for Africa at the Dawn of the Third Millennium, adopted at the conclusion of the Summit of African Heads of State and Government held on 18 and 19 January 2000 in Libreville" (A/54/760, annex, para. 14, of 21 February 2000).

[69] CDF Secretariat, the World Bank, 17 September 2001.

and to other key economic sectors such as infrastructure, banking and finance needed to address poverty reducing growth remain weak. In countries facing economic difficulties, macroeconomic issues dominate over social and structural ones in terms of policy priorities" and that "Work remains to be done to better understand the macro-economic sectoral linkages that contribute to sustainable poverty-reducing growth strategies. The balance being sought between macro-economic and the social, sectoral and structural issues remains weak in most countries. Few strategies deal fully with, for example, the integration of macro-economic policy, employment creation, rural/urban strategy, and poverty reduction. The integration of sector strategies in the macro-economic framework, disciplined by the budget constraint, is being hampered by weak capacity to cost the sector policies and a lack of consistent medium term expenditure frameworks. These capacity constraints need to be addressed urgently in a coordinated manner with the support of external partners if priority policy measures focused on country specific poverty needs are to be developed, agreed, and implemented".[70] The paper also deals with the need to improve monitoring the alignment of external assistance with the country's own strategies, and with the sectoral analyses. With regard to interim PRSPS and PRSPs the World Bank admits that "cross-sectoral linkages and priority setting across development goals are not strongly featured, and linkages to the public expenditure programs are often absent. The process of strategy formulation is often still dominated by short term macroeconomic needs, and often fails to achieve a balance in addressing macro-economic, social and structural issues".[71] This candid type of assessment shows that the BWI acknowledge that there is a need to improve the strategic approach adopted in the poverty alleviation context and that it is necessary to involve all the partners in this exercise. Similar concerns are expressed in the United Nations.

102. The United Nations Conference on Trade and Development (UNCTAD), in particular, has expressed the view that more attention needs to be given to defining appropriate strategies. For example, the report on "Economic development in Africa: performance, prospects and policy issues" (2001), states: "It thus follows that to yield tangible and sustained results, the new emphasis on poverty alleviation should be founded on a careful and frank assessment of the effects of structural adjustment policies on growth and income distribution. However, there are as yet no signs of such an exercise. Rather the emphasis appears to be on redirecting public spending and aid flows towards areas which are expected to yield quick results in the alleviation of poverty, including health and education. While useful, such an approach may not have a lasting impact on poverty as long as policies in such areas as agriculture, trade, finance, public enterprise, deregulation and privatization do not succeed in raising growth while at the same time exerting adverse effects over income distribution. It can also create serious inter-temporal trade-offs in so far as spending designed to have an immediate impact on poverty slows capital accumulation, particularly when resources, including aid, remain in short supply. Thus, poverty reduction programmes need to be associated not only with greater resources but also with structural adjustment and macroeconomic policies conducive to faster growth and better income distribution."[72]

103. There thus seems to be considerable **agreement with the diagnosis that the poverty reduction strategies of the various actors need to be reviewed and improved**. The need for policy convergence also seems to be admitted, even if the various organizations and parties may still not have reached agreement on the crucial issue of policies to be followed, which admittedly, is in any case difficult as these should depend to a large extent on the specific situation of a country within a given regional and world context.

104. In referring to the **external assistance problematique,** UNCTAD states: "The lack of coordination among the activities of various aid agencies and the failure to integrate their projects into domestic and managerial structures have undermined the sustainability of aid projects. ... and that "the fragmented aid

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[70] Ibid., para. 36.

[71] Ibid., para. 9.

[72] Report on Economic Development in Africa. Performance, Prospects and Policy Issues (UNCTAD/GDS/AFRICA/1, TD/B/48/12, pp. 53-54.

delivery system, administered by multiple donors, has profoundly disrupted the resource allocation mechanisms in these countries, with serious negative consequences for economic management, the overall efficiency of resource use and economic growth in general." It also points to "the double squeeze of uncoordinated and non-integrated project aid on the one hand, and policy conditionalities to reduce the budget deficit, excluding grants, on the other hand."[73] It also suggests that "the hypothesis that growth can be accelerated by adding social policies to the standard structural reforms designed to open economies to the rest of the world and promote privatization and deregulation, is not very convincing".[74]

105. The BWI acknowledge that the PRSP process has to be improved, that the change of name of ESAF to the new PRGF has not fully transformed the criteria used for deciding on the credits open to the countries concerned, and that the "ownership" attributed to the recipient countries has not transformed the methods used for defining conditionality. The World Bank and IDA are continuing to prepare "Country Assistance Strategy" (CAS) Papers which contain more precise information on the country's economic, financial and social situation than the PRSPs and whose criteria for conditionality are still much the same as those used for ESAF. The same remark can be made regarding the document used by IMF, notably the "Memorandum of Economic and Financial Policy" which accompanies the "Letter of Intent" that Governments have to send regularly to IMF in the context of their request for financial support. In addition, the amount of information for programme monitoring purposes which the country has to furnish, generally on a monthly basis, on public finances, the monetary sector, balance of payments, national accounts and consumer prices, and structural reform, is considerable. Hence there is a wealth of information available, albeit not always in an easily assimilable form, of which the United Nations can avail itself, though, as seen later, it does not seem to make much use of such information in its instruments, such as CCAs and UNDAFs.

106. While the BWI have demonstrated their willingness to give greater emphasis to social programmes, notably through the conditions attached to HIPC-related decisions, **the relationship between structural adjustment policies and the fight against poverty remains a matter of contention. The voice of the United Nations is not raised loud enough in this crucial debate**. While representatives of the United Nations system are invited to observe the process of development of the PRSP approach, there is not yet evidence of decisive participation on the part of the United Nations in the definition of the poverty alleviation strategy.

107. The same can be said in relation to the **critical problem concerning co-ordination of the policies and practices of the donor countries** referred to earlier. This puts a heavy strain on the administrative capacity of recipient partner countries. Efforts to improve the situation take place within the DAC of OECD and in the BWI. The latter are trying, in conjunction with DAC, to use the PRSP process in this regard. But progress admittedly remains slow.[75] The policies of donor countries remain very different as regards the amount of their official development assistance (ODA). Some, such as Luxembourg, the Netherlands and the Nordic countries, reach or come close to the level of one per cent of gross national product (GNP); others remain at considerably lower levels despite stated objectives to move closer to the seemingly mythical 0.7 per cent of GNP. Donor countries also attach different types of conditions to their aid, and the increasing range of conditions and of reporting requirements imposes a heavy burden on the public administration capacity of developing countries, often unduly limiting their scope for independent policy decisions. An IMF/World Bank appraisal of the existing situation regarding progress in implementing the PRSP process, comments as follows: "The full benefit of the PRSP approach hinges on the willingness of development partners to use country strategies as the basis of their aid programming decisions. Many donors including the UK, Netherlands, the EC, and the Nordic countries have committed

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[73] UNCTAD, *The Least Developed Countries 2000 Report*, pp. VIII-IX (United Nations publication, Sales No. E.00.11.D.21).

[74] Unfortunately, the Programme of Action of the Third United Nations Conference on the Least Developed Countries, held from 14-20 March 2001, in Brussels, Belgium, does not offer adequate answers to these preoccupations. See A/CONF.191/L.20 of 20 May 2001.

[75] This is also mentioned in the Draft resolution of the Second Committee, "Triennial policy review of operational activities for development of the United Nations" (A/C.2/56/L.72).

to aligning their aid to PRSPs. The challenge going forward is for donors to translate these intentions into new aid modalities. Some progress has been made since the Spring Meetings on this front. The EC has agreed to channel grant finance to Burkina Faso, Benin, Mozambique, and Madagascar through its new Poverty Reduction Support Grant, which will mirror the timing and conditions of the Bank's PRSC [Poverty Reduction Support Credits]. Japan has agreed to allocate part of its PHRD (Policy and Human Resources Development) funds to support participatory processes in PRSP countries. In recognition of the practical obstacles that many donors still face in aligning their aid to the PRSP approach, the OECD's DAC is considering the institution of regular reviews of donor coordination in PRSP countries. Effective coordination with regional development banks is also important for strengthening international support for the PRSP approach".[76] "Administrative overload for recipients, especially for small states where administrative capacity is already limited"[77] is created by the increase of donors over time as well as their different operational policies, procedures and practices.[78] "For instance, a typical African country that has about 600 aid–financed projects each year submits 2,400 quarterly reports to different oversight agencies and receives more than 1,000 missions to appraise, monitor, and evaluate projects."[79]

F. COLLABORATION OF THE VARIOUS ACTORS INVOLVED IN POVERTY REDUCTION INITIATIVES

108. Collaboration and cooperation exists between the United Nations system and the BWI,[80] as well as within CEB, by means of exchanges of views and invitations for United Nations officials to attend meetings organized by the World Bank and IMF and vice versa. **But it seems that the United Nations has been unable to make its voice heard sufficiently as to make an imprint on the elaboration of poverty reductions strategies adjusted to the specific country or regional context**, or on the coordination of the policies applied by the donor countries which support the implementation of the Millennium Declaration Goals. The BWI which admittedly have at their disposal considerable human resources and financial means, as well as economic expertise, seem to dominate the terrain of economic policy prescription, sometimes under the "conditionality" of adjustment (albeit with a human face).[81] **But this human face aspect does not seem to be entirely integrated into traditional adjustment policies**. Similarly, the trade and trade-related policies emerging from WTO still do not take sufficient account of

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[76] "Poverty Reduction Strategy Papers–Progress in Implementation", prepared by Staff of IMF and the World Bank, para. 43 on Donor Support and Aid Modalities, 14 September 2001.

[77] Ibid., para. 41: "The Bank has issued Interim Guidelines for PRSCs as a lending instrument to support countries' poverty reduction strategies and to complement the Fund's PRGF ..."

[78] The World Bank. "Harmonization of operational policies, procedures, and practices: experience to date". The need to simplify and harmonize rules and procedures is strongly reaffirmed in the Draft resolution of the second Committee, "Triennial policy review of operational activities for development of the United Nations"(A/C.2/56/L.72, part VI, para. 57 et seq.).

[79] "Poverty Reduction Strategy Papers–Progress in Implementation", prepared by Staff of IMF and the World Bank, reference to Nicolas Van De Walle and Timothy A. Johnston, *Improving Aid to Africa*, Policy Essay No. 21 (Overseas Development Council, Washington D.C., 1996); and *Review of Aid Coordination and the Role of the World Bank*, Report No. 19840 (Operations Evaluation Department, 28 October 1999). In the summary of one of the ministerial round tables on the theme: "Coherence for development" at the International Conference on Financing for Development (A/CONF.198/8/Add.8 of 21 March 2002), it is stated that "one country reported that it had to comply with some 160 conditions for obtaining support to its poverty reduction strategy".

[80] "Poverty Reduction Strategy Papers—Progress in Implementation", prepared by staff of IMF and the World Bank, 14 September 2001, para. 44 on Outreach and Feedback, "Bank and Fund staff have continued to work collaboratively with UN system colleagues engaged in supporting countries' poverty reduction efforts, the PRSP process has been accepted as the basis for country-level monitoring of progress toward achievement of these development goals [Millennium Development Goals] ... *while global monitoring will require intense collaboration among all the various institutions–UN, World Bank, IMF, and OECD.*"

[81] Term used in the book *Adjustment with a Human Face: Protecting the Vulnerable and Promoting Growth*, Giovanni Cornia, Richard Jolly and Frances Stewart, eds. (Oxford University Press, 1987).

development needs and poverty reduction targets.[82] All in all, income distribution and poverty reduction measures do not as yet seem to be fully integrated into adjustment policies.

109. It is in **this area that a strategy discussion should take place between all the institutions and actors and the United Nations (based on its Charter role) should convene such strategic review meetings both at the country and at the United Nations level, as recommended by the Inspector below.**

110. At present, the United Nations appears to have no detailed proposals regarding a strategic approach of its own, especially in relation to poverty alleviation/reduction objectives. Good analyses of global developments and policy exist, like, for example, the reports prepared by the Executive Committee for Economic and Social Affairs,[83] or the ***2000 Report*** on ***Least Developed Countries*** by UNCTAD referred to above. But, while a number of United Nations documents refer to the term "strategy", when it comes to policies and strategic options to suit the variety of developing country situations, none has the level of precision necessary to serve as a guide for action at the country or world level for either developing country governments, recipients of development assistance, donor countries or international organizations.

111. **At the country level, the United Nations CCAs and UNDAFs[84] documents are limited to dealing with selected social issues and sectors without giving adequate attention to the macroeconomic context, the resource situation, including both the domestic and external resource mobilization capacities of the country, and thus the financial viability or sustainability of the proposed social sector programmes. Indeed, linkages to public expenditure programmes are too often absent.[85] The United Nations CCAs and UNDAFs do not provide important basic information on key matters such as fiscal policy, national budgets and their sectoral allocation or the taxation system, etc.** [86]

112. In situations in which a country is encouraged to implement BWI structural adjustment prescriptions under the leverage exercised by means of loan conditionalities, United Nations advice is not solicited regarding the viability and sustainability of policy prescriptions, even though the United Nations system partners ought to have their considered and informed view on the matter. Neither does the United Nations system seem to be adequately involved in the country owned PRSPs.

113. The sectoral strategies recommended to developing countries to achieve industrialization and agricultural development, improve fiscal policy and taxation systems, as well as to improve population, public administration and education policies, are referred to in a variety of United Nations documents, but are often highly general in their scope. In most instances, they are therefore not immediately applicable to specific developing country situations. Some efforts are made in the United Nations, especially in the

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[82] As stated in the summary of the summit round table at the occasion of the International Conference on Financing for Development on the theme: looking ahead (A/CONF.198/8/Add. 10 of 21 March 2002). "The agreements reached at Doha represent a historical opportunity to start building developmental concerns into the trade liberalization agenda, and developed countries now have a golden opportunity to live up to their commitments."

[83] Web site ww.un.org/esa/ccordination/ecesa/ec-docs.htm. Papers by the Executive Committee on Economic and Social Affairs: "International financial architecture (ECESA/1/Rev. 1), "Finding solutions to the debt problems of developing countries (ECESA/2), "Towards a New Aid Compact" (ECESA/3), Social Dimensions of Macroeconomic Policy (ECESA/4).

[84] The author knows that these documents are being elaborated in close cooperation with the recipient country, ideally under the ownership principle, but has learned that this is not always the case, as many reports of various institutions admit.

[85] The quality of CCAs and UNDAFs admittedly varies very much from one country to another. See also evaluation reports made in the context of the triennial comprehensive policy review of operational activities for development of the United Nations system (A/56/320). A need to improve their quality has been recognized in the Draft resolution of the Second Committee, "Triennial policy review of operational activities for development of the United Nations" (A/C.2/56/L.72, part IV, para. 33).

[86] One of the shortcomings of UNDAFs is that they are "not truly strategic documents but rationalisation of existing programmes", in Report of the High-Level Team of Experts. External Inputs for the Development of the United Nations Development Assistance Framework (UNDAF): chapter I. Overall Perspectives and Summary of Recommendations, 30 September 1998.

Economic and Social Council, to coordinate the policies adopted by United Nations funds and programmes such as UNDP, UNICEF, UNFPA and WFP, whose work focuses on social issues. This trend may well improve in the future. United Nations coordinating efforts do not extend, however, to donor countries' policies on aid matters nor to the economic and social policies which they prescribe, implicitly or explicitly, when giving assistance.

114. A number of databanks exist which should indeed provide a clear picture of foreign assistance.[87] Information on the domestic resource mobilization capacity of the respective developing country should be accessible to the drafters of CCAs and UNDAFs. **The United Nations, however, does not seem to analyse these data with a view to drawing pertinent conclusions as to what changes might be made to improve the division of labour among the main actors and increase the efficiency of external assistance.**

G. TIME FOR A REAL STRATEGY DEBATE BETWEEN THE BRETTON WOODS INSTITUTIONS, THE UNITED NATIONS SYSTEM AND THE COUNTRIES CONCERNED TO TAKE PLACE EVERY FIVE YEARS

115. **The methods currently adopted by the United Nations and the BWI do not provide for a debate on strategies that would facilitate an assessment of their relevance in relation to the achievement of the Millennium Declaration Goals.** At the moment, each of the various institutions prepares a multitude of documents often devoted to the same aspects, i.e. description of the country situation. Not only are there too many, but their preparation is costly and absorbs a considerable amount of often scarce national expertise and a large number of external specialists who could be providing more useful inputs for the international debate. Some of the reports were referred to above: CCAs and UNDAFs of the United Nations system, CDFs and PRSPs concerned with poverty eradication, CAS of the World Bank for decisions regarding the allocation of credits and the Memoranda of Economic and Financial Policies accompanying the Letters of Intent that Governments are required to send regularly to IMF in relation to the financial support they request from the BWI, to name but a few.

116. The four first documents mainly address policies in such fields as health, education, gender equality, basic services, prevention of HIV/AIDS, etc. As already pointed out, CCAs very rarely deal with policy issues concerning economic development and growth. UNDAFs only give broad guidelines for the orientation of the activities of the various partners of the United Nations system in the social sector, and do not include the main donors. PRSPs, on the other hand, generally address both economic and social problems, but their recommendations mainly relate to social policies. They do not, as has been admitted, really integrate the economic and social analysis so that the adjustment policies prescribed also address social issues such as income distribution, nor do they also ensure that the recommended social policies are economically viable on a sustained basis. In other words, they do not mainstream social issues into the macroeconomic policy in a sustainable fashion. The World Bank and IDA continue to prepare CAS papers, and IMF Memoranda of Economic and Financial Policy in support of their unchanged adjustment policies. **At the moment, there is no real inter-institutional debate on strategies which would permit sound growth policy with better income distribution and social development in a sustainable fashion. The concept of ownership, mainly used by the World Bank and IMF for the establishment of CDFs and PRSPs, remains at this stage rather theoretical as the countries' "chosen" policies and strategies are already largely determined under the conditions attached to credits and multilateral policy commitments, neither of which can easily be called into question at individual country level. The United Nations is not called upon to comment on this situation nor has it offered to do so.**[88]

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[87] A unique databank on flows of official development assistance is available on the OECD web site: www.oecd.org.

[88] In the Report of the Secretary-General on the prevention of armed conflict (A/55/985-S/2001/574) it is stated in paragraph 107: "Contacts between the United Nations and the International Monetary fund (IMF), which are at a more preliminary stage, need to be developed further. For example, the United Nations and IMF could work together to ensure that lending policies do not exacerbate social tensions and contribute to the eruption of violent conflicts. Several areas in which IMF plays a central role–particularly public spending–can affect the political situation in a positive or negative manner in the context of broader efforts for

117. The present situation can be summarized as follows: the new emphasis of the BWI on poverty eradication and the United Nations efforts in the same direction have not yet led to a noticeable modification of adjustment policies. Some social concerns have been added to basically unchanged macroeconomic policies. Nor, as yet, is the manner of financing the recommended poverty alleviation measures addressed in a meaningful and credible fashion, partly due to the essentially deflationary intent of most adjustments.

118. It is acknowledged that adjustment policies implemented widely over the last two decades have not succeeded in putting developing countries on a path of sustained growth, but have contributed to worsening the economic and social situations, particularly in countries of Africa and Latin America. The deflationary impact of these policies, through reduction of national budgets and austerity programmes, in addition to high levels of indebtedness, combined with liberalization, deregulation and privatization, have often increased unemployment and worsened income distribution. Adding a mere coating of social concern (without ensuring adequate financing), to essentially unchanged macroeconomic and structural policies is unlikely to resolve the problem of poverty eradication.[89]

119. Regarding political activities, the Secretary-General has drawn the attention of the Security Council to the crucial issue of prevention of conflicts.[90] In his report on "Prevention of armed conflict" the relationship between eradication of poverty and social development was clearly recognized,[91] but **until now no procedure has been established to open up a debate in the international community on the practical means for combining the fight against poverty, improvement in social services to the populations concerned and conflict prevention**.[92]

120. If the above diagnosis is correct, then it is high time for a serious debate to take place **between the various actors, on the economic, financial, structural and social policies they recommended for implementation by the developing countries**.

121. There is another important aspect to this. As long as public opinion of the various donor countries is under the impression that poverty eradication remains an elusive goal to which neither the international organizations nor the countries concerned are demonstrably committed, external assistance funds will remain weak. The failure of adjustment policies has increased the malaise. If the Millennium Declaration is to be considered a serious commitment, then a new effort to dissipate public scepticism is essential, involving a new international agreement between the developing and donor countries that clarifies and harmonizes views on the conditions to be attached to development assistance. However, no such agreement can be reached, if the conceptual differences in approach that still exist between the BWI and the United Nations, which seemingly has concerned itself primarily with social issues, are not removed. **A strategy debate on these issues is imperative.**

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conflict prevention. In order to enhance coordination and interaction between the United Nations and the Bretton Woods institutions in conflict prevention and peace-building, *the establishment of a consultative mechanism at the Headquarters level should be considered*."

[89] "Coherence between macroeconomic and microeconomic policies in developing countries is crucial for achieving development. That includes supporting poverty reduction priorities with budget levels that accommodate pro-poor spending and establishing coherence between social and economic development policies and between public investment and private investment policies. Linkage between trade and development policies must also be made in development strategies, and the link between trade and poverty needs to be assessed." (A/CONF.198/8/Add.8, p. 3, para. 10), 21 March 2002, summary of a ministerial round table on the theme "Coherence for development" at the International Conference on Financing for Development.

[90] "Prevention of armed conflict" (A/55/985-S/2001/574 of 7 June 2001).

[91] Ibid., paras. 99-107.

[92] This report on prevention of armed conflict was presented to both the Security Council and the General Assembly, both of which debated the report. The Security Council issued a substantial resolution on the report (S/RES/1366/2001) and the General Assembly a procedural one (A/RES/55/281) deciding to consider it again after relevant organs, organizations and bodies of the United Nations had considered the recommendations addressed to them and informed the General Assembly of their views in this regard; see also "Strengthening of the United Nations system capacity for conflict prevention [JIU/REP/95/13], 1995.

H. A STRATEGY DEBATE AT THE COUNTRY LEVEL EVERY FIVE YEARS

122. A debate on strategy needs to be organized at the country level, involving all relevant actors, first and foremost the country concerned, which as far as possible should "own" the process and results, the United Nations and its entities, the BWI, WTO,[93] regional financial institutions, important bilateral donors and civil society.[94] This strategy debate ought to take place every five years. As stated in the Road Map[95] such a strategy debate ought to "mobilize the energies of all actors, including notably the private sector, philanthropic foundations, non-governmental institutions, academic and cultural organizations, and other members of civil society".

123. The **preparation of these important country meetings is of great importance**. At present too many country papers, describing the same or selected aspects of the country situation and reflecting the particular concerns of the respective organizations, are prepared, with or without the cooperation of the country concerned, a situation which would not facilitate a focused and meaningful debate.

124. It is therefore time to suggest that all the **organizations of the United Nations system, the BWI and WTO should work together towards establishing a single document which would replace the many existing ones**. This would induce the many actors to work together to coordinate their strategies and to come as far as possible closer to a common approach, or at least to understand better the existing differences in approach. It would be an occasion to render more explicit their analyses of the situation and eventually the reasons for their conflicting strategies and thus permit a real debate. It would **foster concertation of efforts and assist in avoiding duplication**.

125. This report would **allow for a transparent and accountable debate** between the main actors and the country concerned. This ought to delineate future coordinated and coherent action in the interest of the country concerned. Establishing such a "single" report would certainly be more cost effective than the present practice of elaborating many reports and would furthermore allow the various partners to work more coherently together in a coordinated fashion, which has been a constant preoccupation of the international community and most importantly of the developing countries concerned. **It would increase transparency not only within the international community but also with regard to the country and its people**. Such a single consolidated report, replacing the existing ones to the extent possible, should be prepared in a truly cooperative effort on the part of the United Nations system partners, the BWI and WTO. As indicated before, CEB would have to play a decisive role in putting in place the appropriate mechanism based on the existing experiences with United Nations CCAs and UNDAFs but also with the BWI reports and assessments and most importantly with PRSPs, where they exist, as the latter are in principle based on the ownership principle.

126. This single document should have three parts:

- A comprehensive description of the country;
- A description and an assessment of the strategies followed during the past five years by the various actors such as the government of the country concerned, the United Nations system, the BWI, WTO and the major regional and bilateral partners, etc.;
- A description of the strategies proposed by these same actors for the next five years.

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[93] In other words, CEB (formerly ACC) membership.

[94] See also footnote 3. Reference was made at a ministerial round table on the theme "International Conference on Financing for Development: Coherence for development to the importance of strengthening coherence between the United Nations, the BWI and WTO as well as the regional financial institutions. "Participants considered *that a clear vision or development strategy, formulated at the country level, that brings all stakeholders together in a spirit of true partnership and cooperation, could have an important bearing on improving coherence*", (A/CONF/198/8/Add. 6) p. 2, para. 5 and p. 3, para. 13: "The need to improve coherence among the international agencies was also emphasized as one of the most critical issues."

[95] A/56/326, Introduction, para. 5, 6 September 2001.

In order to provide for **consistency** in this exercise which is to be replicated in many countries, **common guidelines for the first two parts should be established and worked out in CEB** (after consultations with the main regional and bilateral actors as they are not part of this body) and submitted for approval to the Economic and Social Council. The Inspector assumes that a consensus among the main actors on these first two parts of the report would be relatively easy to obtain **as it does not imply consensus on a common strategy of the various actors**.

127. In the opinion of the Inspector, these instructions should specify that:

- *The first part* would deal with all the economic, financial, structural and social aspects of the country. Contrary to the CCA Guidelines of April 1999 they should request a very precise description of the economic, financial and structural situation of the country and not be limited to its social aspects. The description should include, inter alia, data on the production structure of the various sectors of the economy (agriculture, industry, services) and their interrelations, precise information on public, private and foreign investment, import and export structures, current account balance, gross domestic product (GDP) growth, growth per capita, inflation rate, debt situation, household budgets and distribution of wealth (capital and income), a detailed analysis of the national and regional budget expenditures and revenues, an analysis of the tax system, the savings situation, domestic and external resource mobilization, data on the salary structure in the public sector, etc., in short all the information necessary to truly understand the problems of the country and identify entry points for relevant and useful external assistance. The existing CCA Guidelines could be used for elaborating on the social aspects;
- *The second part* would provide for descriptions of the strategies of the various actors as applied in the past five years, of their priorities, of the sequencing of their policy prescriptions, of their conditionalities, inasmuch as they exist, data on the volume and the nature of assistance in case of programme and project assistance, their description, the results obtained and lessons learned and, if possible, also a collective judgement and evaluation of the lessons to be drawn for future action. The establishment of the two parts would be entrusted to a team composed of the representatives of the main actors as described above;
- *The third part* would indicate and describe the strategic orientations of the various actors foreseen for the next five years by taking into account the outcome of the assessment of the past five years. **Each actor would assume the respective drafting** and give an indication whenever possible of expected resources, pledges and conditions maintained. It would be concluded by a common statement identifying differences and similarities of approach with possible proposals on how to overcome divergence and inconsistencies with a **view to arriving at a common approach to be truly owned by the respective country**.

128. **This single report, to be called Common Country Review Report (CCRR), should be the object of a strategic review debate at the country level to be held every five years under the patronage of the country concerned as the ultimate owner of the process.** The country concerned should be encouraged to invite all its partners in the international community, representatives of the United Nations system, i.e. United Nations funds and programmes and specialized agencies, the BWI, WTO, regional financial institutions, the European Union and other important regional or bilateral donors and civil society representatives, to discuss the orientation of the various strategic approaches, policy prescriptions and conditionalities as well as activities of the various system partners with a view to distilling lessons learned, experiences and best practices gained and coherence to be established for the future. **This review ought to be an open and pluralistic process, with no single actor (apart from the country concerned) imposing its strategic vision and philosophy on the other. In a serious partnership mode it ought to be the country concerned that becomes the true owner of the process and its outcome.**

129. This **country-led strategic review would integrate strategies for long-term growth with those for development and poverty eradication as well with a view to reaching the Millennium Declaration Goals in a sustainable fashion.** The review process should lead to an agreement on the best sustainable medium-term economic and social strategy for the country concerned, to be "owned" by it and to serve **also as a basis for medium-term external assistance commitments**. This agreement which will give **coherence, predictability and thus credibility** to international and national action should also help to raise funds.

I. A STRATEGY DEBATE AT THE WORLD LEVEL EVERY FIVE YEARS

130. **In order to widen the debate on these issues, give them political prominence and distil appropriate lessons, a review of these country level discussions, policy decisions and experiences gained ought to take place at five-year intervals at the global level under the auspices of the United Nations.**[96]

131. Owing to the advancement of the implementation of the 1997 reforms, the United Nations has now the opportunity "to reassert itself as a significant and independent player on the field of economic and social policy",[97] and by the same token on the political domain for the prevention of conflicts.

132. **The time has come to give the results approach its full meaning** and **to mobilize existing manpower for the definition of sustainable strategies which ought to permit the timely attainment of the Millennium Declaration Goals**. All efforts should now be concentrated on this major objective. This will entail the redefinition of some of the existing instruments presented to Member States for defining their strategies and verifying the results obtained. **As explained above, this is the case for the present conception of the MTP, which has lost in policy relevance and does little to assist Member States to make informed decisions on the complex issues described above.**

133. The parts of the United Nations Secretariat dealing with economic and social problems, i.e. the DESA and UNCTAD, produce each or every other year important and voluminous documents for the information of Member States, such as the *Report on the World Social Situation*, *The Economic and Social Survey*, *The World Economic Situation and Prospects*, the *Trade and Development Report*, *The Least Developed Countries Report*, and *The World Investment Report*, apart from many other sectoral reports and other types of study, to name but a few. They are often descriptive and not always policy oriented and do not often draw precise conclusions and recommendations on the strategies to be applied. As they take time to be prepared, economic and social situations might have changed by the time they are published. Many other sources of information on the evolution of the world economy are also at the disposal of Member States, be it from the BWI, OECD, the Bank for International Settlements and others. The preparation of these manifold reports mobilizes the majority of the economists who work in the United Nations. **Serious consideration ought to be given to reassessing the substantive value of such documents, to addressing the question of their policy relevance for Member States with a view to streamlining them eventually.**[98] **This could free much needed manpower for critical analysis of the**

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[96] The organizational and time modalities will have to be worked out later on, once a decision on principle regarding these recommendations has been made. If the General Assembly so decides, this strategy debate at the world level to be held every five years could replace the very costly and cumbersome (plus five) review processes of the major international conferences. Such a decision would free the respective Secretariat services from a very heavy workload. "As the most inclusive and participatory forum, the United Nations should remain at the centre of discussion on the promotion of coherence among development cooperation, macroeconomic and social policies", summary of a ministerial round table on "Coherence for Development", at the International Conference on Financing for Development (A/CONF.198/8/Add. 7, p. 3), 21 March 2002.

[97] Expression used in Ahead of the Curve. United Nations Ideas and Global Challenges, United Nations Intellectual History Project Series, Louis Emmerij, Richard Jolly and Thomas G. Weiss (Indiana University Press, 2001), p. 144.

[98] The Inspector recognizes that diversity of opinion is essential to take the economic and social agenda forward. Therefore this proposal is not meant to put a lid on diversity of opinion nor on innovation. On the contrary, creative intellectual competition needs to be encouraged. Single-mindedness with the ensuing imposition of "orthodoxy" would certainly be counterproductive. The issue here is to address the problem of repetitious reports which come to the same policy conclusions.

existing strategies for development and poverty eradication. A reconversion of existing manpower, notably of economists and social policy experts, should become possible.

134. The establishment of a synthesis report of these country-level debates on various development and poverty reduction strategies and their results, distilling best practices and lessons learned, drawing conclusions from country-level experiences and policy issues, as indicated above, will require, even if it is to be produced only every five years, a very serious effort on the part of the United Nations. The complexity as well as the importance of such an enterprise should not be underestimated. It is clear that the problem of integration of social concerns with policies of adjustment remains at present without a solution.[99] **A single solution can and should obviously not be found for all the countries concerned, as the specific country context varies.** This is why the process and reflection have to start at the country level. There is no simple global solution: the same set of policy measures is not applicable to least developed countries (LDCs) like Burkina Faso or Gambia, nor to countries like Brazil, China or India of which parts of their territories are fully developed disposing of a sophisticated public administration. The same type of solution cannot be applied, with any chance of success, to countries whose economic livelihood depends primarily on agriculture as well as to already partially industrialized countries. Before recommending measures to contribute to poverty eradication, the specific characteristics of a country including religious beliefs, customs, family structure, political stability, peace and security problems, distribution of wealth, soil properties, level of education and health indicators have to be taken into account, beside the level of development. Before attempting to define what could constitute parts of a global strategy, it is obviously indispensable to study the problem country by country.[100] This does not mean that similarities in country situations cannot be found and that best practices and lessons learned cannot and should not be distilled from individual country experiences.

135. **It might however be useful to try to establish a typology of countries as regards their poverty situation**. Classifications of countries by level of income have already been established. DAC of OECD for example distinguishes Least Developed Countries (LLDCs), Low-Income Countries (LICs) including all non-LLDCs with a per capita GNP of US$ 760 or less in 1998 (World Bank Atlas basis), the Lower Middle-Income Countries (LMICs) between US$ 761 and US$ 3,030 in 1998, the Upper Middle-Income Countries (UMICs) between US$ 3,031 and US$ 9,360, the High-Income Countries (HICs) (more than US$ 9,360 in 1998, the Countries in Transition comprise more advanced Central and Eastern European Countries and New Independent States of the former Soviet Union; and more advanced developing countries and territories.[101] But this classification by level of development **should be refined in order to take into account specificities which have an impact on the type of poverty to be alleviated. The experience and knowledge accumulated , in this regard in the United Nations system should help the United Nations to study this problem at the country level, to propose a new typology and to describe the type of strategies which could be applicable to each category of countries in such a synthesis report.**

136. **This comprehensive synthesis report, to be prepared every five years by the United Nations, that ought to distil best practices and policy lessons learned would, constitute a Medium Term Strategic Review Report (MTSRR)**, setting out for the medium-term period a coordinated, coherent, if not common, strategic framework for the United Nations system, the BWI and other major players, that would assist Member States to reach the Millennium Declaration Goals. Policy coherence would thus be

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[99] See also relevant work done by the United Nations Research Institute for Social Development, UNRISD News, Number 24, "Social Policy in a Development Context"; and *Global Economic Trends and Social Development* by Ajit Singh, Occasional Paper No. 9.

[100] A country-specific approach was strongly advocated by African leaders in the Libreville Declaration on the Economic and Social Agenda for Africa at the Dawn of the Third Millennium, 18-19 January 2000 (A/54/760, annex, para. 12, 21 February 2000).

[101] *Development Co-operation Report 2000*, p. 279-280; the latter receive official aid (not ODA).

an important goal of such an exercise.[102] This debate would contribute to eliminating present inconsistencies in the overall approach to development deplored at ministerial round tables held on the theme "Coherence for Development" on the occasion of the International Conference on Financing for Development, in Monterrey, Mexico, in March 2002.

137. The preparation of this report should be entrusted to a team to be composed of the best available specialists of these problems working in the United Nations system and eventually, if needed, complemented by outside consultants, under the authority and leadership of the Secretary General in his capacity as Chairman of CEB (formerly ACC). The **MTSRR** should be submitted, together with the comprehensive report on progress made, or not made, in reaching the Millennium Declaration Goals by the Secretary-General[103] after having been commented upon by the CPC,[104] and debated at **a high level meeting of the Economic and Social Council,[105] bringing together in particular high-level representatives from the Ministries of Economy, Finance and Planning and Development of each country, the executive heads of the United Nations system, the BWI and the WTO under the chairmanship of the Secretary-General and the President of the Economic and Social Council**. Such a high-level meeting debate and its conclusions should increase consensus between developed and developing countries on a coherent strategic framework for development and eradication of poverty, give strategic direction to international and regional institutions as well as major bilateral donors and to make medium-term pledges on external assistance.

J. A STRATEGY DEBATE TO BE HELD EVERY FIVE YEARS IN THE SECURITY COUNCIL ON CONFLICT PREVENTION AND HOW IT RELATES TO DEVELOPMENT AND POVERTY ALLEVIATION STRATEGIES

138. As the interrelationship of conflict prevention and economic and social policy has been amply established, it would be of importance to the international community **to arrange for a strategy debate in the Security Council, and the General Assembly, if so decided, every five years.** To that end, it will be necessary for the United Nations Secretariat to establish a report every five years on the relationship between progress made in development and poverty eradication, governance, etc. and conflict prevention. Such a **Medium Term Conflict Prevention Review Report (MTCPRR)** should be presented every five years to the Security Council, and if so decided, to the General Assembly, for the international community to learn from country-level experiences and best practices. Such a report and strategy debate would enable the United Nations to respond realistically to the mission entrusted to it by Article 1 of the Charter of the United Nations and, in particular, by its paragraphs 3 and 4.

139. **All these recommendations are meant to invite the United Nations to embark on a realistic and meaningful results approach.**

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[102] Coherence was the topic of many ministerial round tables at the International Conference on Financing for Development (see the many references to it in this report).

[103] As promised in the Introduction to the Road Map (A/56/326 of 6 September 2001).

[104] The MTSRR and the ensuing debate could benefit from written comments solicited, inter alia, from the BWI, the WTO and DAC of OECD.

[105] In the summary of a ministerial round table on the theme "Coherence for development" (A/CONF. 198/8/Add. 7 of 21 March 2002) the following proposal was made: "Fully utilize the potential of the Economic and Social Council to promote meaningful dialogue for policy coherence."

ANNEX I

EXPERIMENTS MADE BY MEMBER STATES WITH THE RESULTS -BASED APPROACH

1. Various Member States, Australia, Canada, France,[106] the Netherlands, New Zealand, United Kingdom and the United States have in recent years embarked on experiments in results-based management and budgeting, and outcome-focused management. The Working Party of the Public Management Service (PUMA) of OECD has launched a project to permit its member States to exchange their views and experiences. The objective of this PUMA project is to analyse how outcome goals can be defined and used in public sector management and how outcomes can be measured. This exchange of experience provides precise information on the state of the art in this domain, on the difficulties met and, on the type of solutions adopted. Having carefully analysed the various national contributions to this project, the following points are worth mentioning as they summarize very briefly the state of the art at the national level.

2. For all the countries concerned, it is an important undertaking that responds to the demands of their parliaments and their public opinion. There is a need to explain more precisely what the public services are doing, what their objectives are, and what policies they apply to reach them. For example, the Canadian Government explains (in a report of March 2000 *Results for Canadians*, tabled in Parliament) that at the heart of the new management framework are commitments to focus on citizens (provide "one-stop access" for government services), adopt a clear set of values (democratic, ethical, professional and people values), manage for results (and build public confidence), ensure responsible spending. All the Governments concerned have similar issues in view.

3. The vocabulary used for describing efforts undertaken is not exactly the same in all countries. The words used for identifying the various levels of objectives, outcome goals, outputs, performance targets, performance indicators, assessments and evaluation, policies, or strategies or logical framework followed, etc., and even the meanings of the same words, present important differences. All countries agree that the whole undertaking of managing by results is difficult, that it will take time and experience before reaching a really satisfactory state of the art, but that it is worth continuing their efforts and the exchange of experiences.

4. There is agreement that it is essential to make a clear distinction between the various levels of objectives. In the United Kingdom for example a clear distinction is made between the *aims* (also called in other countries general objectives or sometimes, key priorities or key goals, for instance: give everyone the chance, through education, to realize their full potential; the *objectives*: "ensure that all young people reach 16 with the skills that will give them a secure foundation for lifelong learning, work and citizenship; and the *targets*: i.e. the most precise level, example: increase the percentage of pupils obtaining five general certificates of secondary education; by 2004, 92 per cent of 16 year-olds should meet this standard. Targets are always time limited. At this level the definitions should be SMART, which is an acronym suggested by New Zealand and the United Kingdom, that is specific, measurable, achievable, results-focused, and time-bound. The distinction between these four levels (aims, objectives, targets, outputs) corresponds generally to a distinction of the time necessary to reach them, i.e. long-term goals, medium term-plans, short-term budgets.

5. They also agree on the necessity of showing clearly the link between outputs and the government desired outcomes (New Zealand). Other countries call this linkage a logical framework, a policy, a strategy or a performance plan. For example, in the United States, the Government performance and results plan of 1993 established a performance management framework for federal departments and agencies, which consisted of agency strategic plans, "annual performance plans, and annual performance reports. Strategic plans define both the agency mission and a set of long-range goals and objectives for

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[106] In June 2001 the French Parliament adopted a special law (*loi organique*) aimed at reforming the management of the public administration in order to show results obtained, increase transparency and ultimately efficiency.

the agency's major programmes and functions. Performance plans include measurable performance goals with target levels for a particular fiscal year. Performance plans usually display past, current and future year data for performance goals. Between three and seven years of data are typically presented. These strategic documents seem to concern various levels of policy decision, that is the explanation of the choices made at the highest level (the choice of programmes by the Government) and the explanation of the choices made between various possible outputs, by the programme managers to reach their targets.

6. Governments also recognize the necessity of differentiating the methodology according to the nature of the programmes. Attention is also given to the absolute necessity of distributing responsibilities among agencies, departments, or other public services contributing to the same objective. In the United Kingdom, for example, the public service agreements established for each government department distribute tasks through a number of performance targets.

ANNEX II

REMARKS MADE BY THE SECRETARY-GENERAL AND BY THE MAIN COMMITTEES

1. Remarks and suggestions have been made in the United Nations by the Secretary-General, by ACABQ and by CPC, since the first experiments in 1996. They basically concern the programme budgets of 2000-2001 and 2002-2003, the 1998-2001 and 2002-2005 MTPs and some exercises in experimental mock-ups for selected programmes. The documents analysed here are being quoted in the corresponding footnote.[107] The Joint Inspection Unit has also contributed to the reflection in its report (A/54/287 of 30 August 1999), commented upon by the Secretary-General in A/54/287/Add.1. During the period of introduction of results-based budgeting there was a continuous dialogue between the Secretariat, the experts of ACABQ and the Member States in CPC and in the General Assembly. General Assembly resolutions A/RES/53/205 and A/RES/53/207 of 2 February 1999, and A/RES/55/231 of 23 January 2001 have given instructions regarding the continuation of the exercise.

2.. In ACABQ report A/55/543[108] numerous remarks are made showing the main preoccupation concerning the raisons d'être and the modalities of the exercise. The annex to the report shows that *the only difference between the budget format existing before the introduction of results-based budgeting and the new results-based programme budget is the introduction of the concepts of performance indicators (or indicators of achievement) and of external factors.* All the other features already existed. This being acknowledged, the main remarks bear on:

- The imprecision of the vocabulary used (what is the difference between objectives, expected accomplishments and expected results (paras. 9 and 10);
- The necessity of progressively acquiring experience in applying results-based budgeting (due to the difficulty of the exercise) (para. 12); the need to proceed gradually and to organize staff training in this field;

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[107] Reports of the Secretary-General: "Possible new approach to programme planning" (A/48/277 of 28 July 1993); "Renewing the United Nations: a programme for reform" (A/51/950 of 14 July 1997) and "Results-based budgeting" (A/51/950/Add. 6 of 12 November 1997); "Results-based budgeting" (A/53/500 of 15 October 1998), A/54/456 of 11 October 1999 and A/54/456/Add. 1-5; "Ways in which the full implementation and the quality of mandated programmes and activities could be ensured and could be better assessed by and reported to Member States" (A/55/85 of 10 June 2000). CPC reports: A/48/16 of 1 January 1993 and A/48/16 (Part II) of 3 November 1993; A/49/16 of 12 January 1995; A/50/16 of 30 June 1995; A/51/16 (Part I) of 5 July 1996; A/52/16 of 1 January 1997; A/53/16 (Part I) of 8 July 1998, A/54/16 of 22 September 1999, A/55/16 of 1 January 2000 and A/55/16 (Part I/Corr. 2 of 8 August 2000 and A/55/16/Corr. 1 and 2. ACABQ reports: A/9008 of 1973; A/47/7/Add. 9 of 1992; A/48/7 of 3 December 1993 and A/48/7/Add. 1-17 of 27 April 1999; "Results-based budgeting" (A/55/543 of 3 November 2000); A/53/7 of 16 September 1998; A/54/7 of 1 January 1999; A/55/7 and A/55/7/Add. 1 of 14 and 22 November 2000; A/56/7 of 3 August 2001.

[108] "Results based-budgeting" (A/55/543 of 3 November 2000).

- *The importance of the MTP and the absolute necessity to improve its presentation*: "Since the MTP is the framework for the proposed programme budget, progress in defining objectives and expected accomplishments more specifically in the MTP would affect the quality of the objectives and expected accomplishments in the proposed programme budget" (para. 11). "*The need to formulate the objectives in the MTP more clearly than at present in a way that could show observable change ...*" "The Committee points out that there needs to be *a clear link* between the objectives in the MTP and those in the proposed programme budget"(para. 24(a));
- *The importance of establishing a link between stated objectives, expected accomplishments, performance indicators and outputs*, i.e. to explain their relationship clearly;
- The necessity of adapting the techniques of results-based budgeting to the nature of the programmes: "... the proposals of the Secretary-General cannot be applied equally to all sections and activities covered by the programme budget ... For performance analysis to remain valid and relevant, *modified techniques will have to be developed, for example in the support and servicing areas ...*" (para. 31);
- Finally the need for more clarity in general: "... a concerted effort needs to be made to improve planning at the United Nations, with the development of the ability to formulate specific objectives and precise performance indicators" (para. 30).

3. The last ACABQ report (A/56/7 of 2001) on the 2002-2003 proposed programme budget does not contradict the conclusions and recommendations of the previous one. The report mainly insists on the necessity of developing a comprehensive programme information system (paras. 80-94), on a better definition of the methods of evaluation, and finally "The Committee points out that when using phrases such as an increase in or an improvement of it is essential to specify the benchmarks in a given biennium against which such activity is to be measured, as well as to give a specific indication of how much of an increase or an improvement is expected against the benchmark in absolute terms or as a percentage" (chap. I, para. 13).

4. These important remarks are confirmed by those made in the CPC reports. In 1993 CPC[109] had already insisted *on the necessity of showing observable change*. In more recent reports and particularly in the report of the 40th session (June-July and August 2000 on the 2002-2005 MTP)[110] CPC noted:

- *The need for more clarity and precision in the document*: "... more clarity was required on the role that each of the programme and subprogramme components would play in the MTP and on their practical usefulness in evaluation and monitoring ... the proposed MTP ... was still too broad to be an effective policy guidance document and ... bore little relevance to the programme budgets" (paras. 22-23); it was also pointed out "that the identification of expected accomplishments and indicators of achievement, without making a proper distinction, could create important differences among programmes in the context of the budgeting and evaluation process" (para. 25);
- The necessity of improving the use and the precision of indicators of achievements in the MTP (paras. 40, 41 and 42);
- The need to adapt the expected results and indicators of achievement to "the different natures of the objectives of the programmes of the MTP (para. 43);
- The absence of identification (in the MTP and its introduction) of clear solutions to "the challenges before the international community" (i.e. poverty eradication, globalization, etc.) (para. 28). It was also indicated that "peace and security issues retained a very central role in today's world and that more emphasis should be placed on the prevention of conflicts" (para. 30).

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[109] CPC recommended in its report on the 33rd session (A/48/16) that a prototype of the MTP be prepared, and that "in the programme budget, the narrative of the substantive subprogrammes should consist of clearly formulated objectives that were designed to bring about, to the extent possible, observable change".

[110] A/55/16.

5. The Secretariat, and particularly the Programme, Planning and Budget Division, has for its part tried to improve the methodology, taking these remarks into account. These were in fact the results of a continuous dialogue between delegates and the parts of the Secretariat responsible for the development of results-based budgeting in the United Nations. The Guide to results-based budgeting " of 23 October 1998 shows clearly that the Secretary-General's concerns concur with those of representatives of Member States. This document:

- Insists from the very beginning on the concept of a logical framework. Precise definitions are given of the main concepts used, and particularly of objectives, expected results, performance indicators and outputs, and results-based budgeting (RBB) "establishes a top down, logical framework "between these concepts. It indicates *that results-based budgeting" is not just about budgets, but has the potential to bring about a change in strategic management, accountability, and responsibilities*" (p. 43);

- Insists on the concept of observable and measurable change and expresses the need for defining a strategy (without explicitly using this word): "In the *logical framework approach*, programme planners are required to start out by defining a programme's objectives. The objective expresses what the Organization wishes to accomplish within the biennium. In particular, objectives are defined as the expression of an overall desired achievement, involving a process of change and aimed at meeting certain needs of identified end-users or clients. They describe *the underlying or overall rationale for implementing a programme by representing a meaningful benefit or change*. Managers and planners should therefore begin the formulation of their objective by addressing the following questions: w*hat is the problem we are trying to address*? *what do we intend to accomplish* ? w*ho are the intended end-users/beneficiaries?* (page 22). There are many levels of objectives, both in term of abstraction and in terms of time-frame (i.e. long-term or short-term). Requiring objectives to be set at the right level means that *they should be both realistic or attainable*" (p. 18);

- *The concept of strategy* is quoted and defined in the following terms: "*another link between outputs and results is provided by the strategy adopted by the programme: the strategy represents the underlying approach to the problem, and indicates why a particular mix of outputs was chosen to do the job*. A strategy should manifest the reasons for expecting that producing outputs x and y will lead to result z. RBB does *not* require that strategies be included in the programme budget, but making them explicit in the programme design phase can be useful in identifying strengths and weaknesses and in making adjustments in the design. A sound strategy will ensure a higher degree of probability that the cause and effect relationship between the outputs and the expected results will hold true";

- *Acknowledges the importance of the MTP* and stresses the relationship between the programme budget and the MTP: "The requirements for defining objectives will in due course also apply to the Medium Term Plan (MTP), the difference being the time-frame; *Objectives for the biennium will therefore be derived, from and serve as a component in achieving, the objectives of the MTP.* Objectives for the biennium and for the MTP should show a difference in what is to be accomplished in two and four years respectively";

- *Gives very precise instructions* for establishing performance indicators to measure results, for measuring the quality of outputs and, collecting and presenting data, etc.

6. Unfortunately experience shows that there is a long way to go between instructions and practice. One of the best examples of this difficulty is the distance between the description of the methodology of the MTP as described in its Introduction,[111] (definition of objectives, strategy, expected accomplishments and performance indicators) and the effective presentation of the programmes and sub-programmes in the MTP itself. In particular *strategy is defined* in the Introduction as "*the approach that will be taken to*

[111] A/55/6 (Introduction).

achieve the objectives. It is not a detailed listing of activities outputs, but rather a description of the course of action or the type of activities that will be undertaken". In the MTP itself, there are only lists of activities, without any explanation of the reasons for the choices made.

7. This review of the experiments undertaken so far in the United Nations shows that important difficulties remain.